FREIGHT TRAFFIC ISSUE: TORONTO RAIL PRODUCT SHOW p. 42

APRIL 25, 1966

RAILWAY AGE

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Buffalo Brake Beam Company

ANNOUNCES

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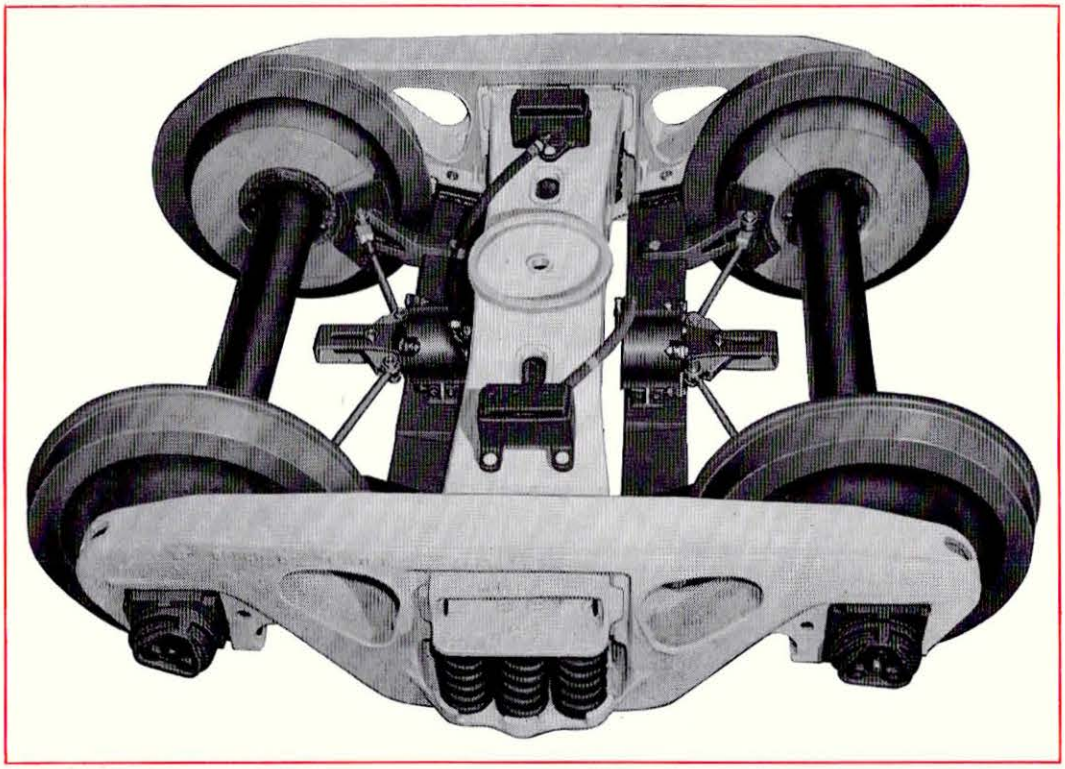

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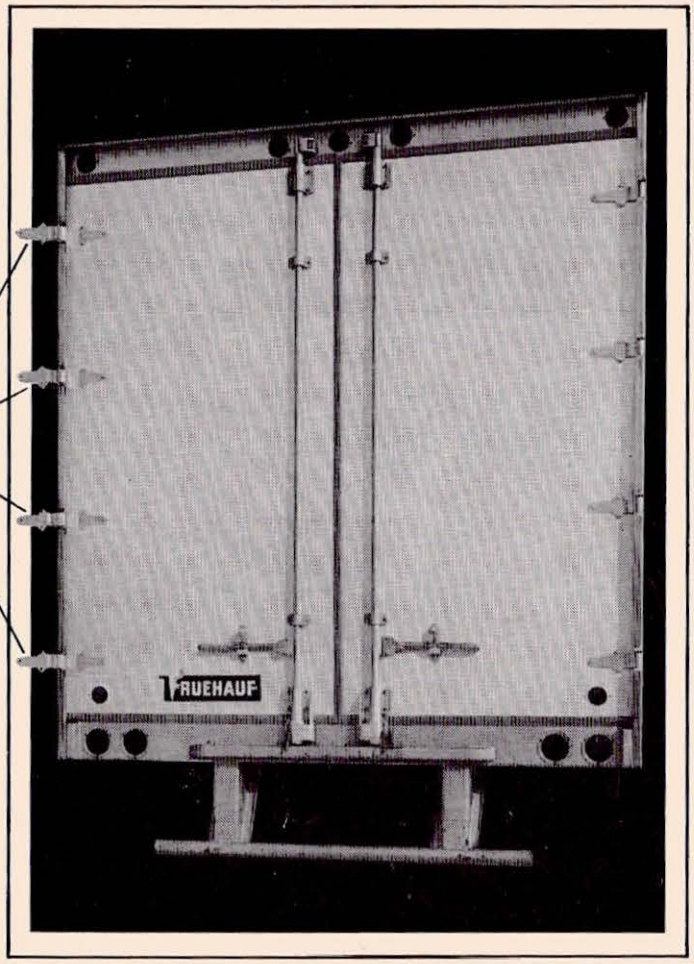

Look, mom, no hinges . . . and even so, the hingeless rear door on this Volume☆ Van PLUS stays put—secured in position by Fruehauf's exclusive Lock Flange Door Post.

FRUEHAUF patented Lock Flange Door Mounting helps make rear end 8 times stronger against any shifting cargo!

Lock Flange Door Mounting, developed by Fruehauf out of more than 50 years of Trailer experience, is a major reason why the Volume☆Van PLUS rear end is 8 times stronger than that of trailers with conventional hinges and latches.

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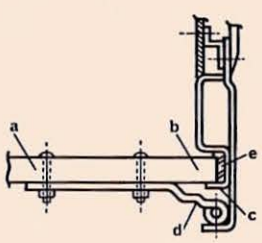

The difference is Lock Flange design. As Trailer door (a) is closed, the hinged edge (b) seats firmly behind a protecting flange (c) which takes strain from interior loads off the hinges (d). Sponge rubber gasket (e) provides watertight seal.

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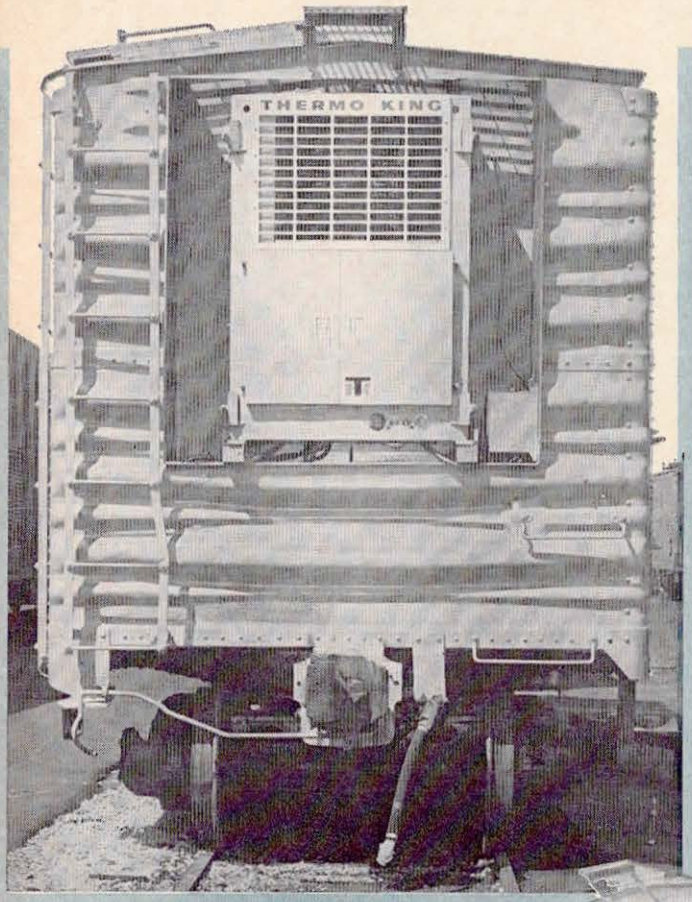

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RAILWAY AGE

April 25, 1966 • Vol. 160, No. 16

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Carrier salesmen, say Traffic Poll respondents, still need to know more about their own companies, and the customers' too.

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42 Toronto readies product exhibit

Railroad suppliers from North and South America will exhibit at the Canadian industrial show next month.

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Courage, conviction and a drive to serve the public will lead railroads to the greatest era the industry has ever known.

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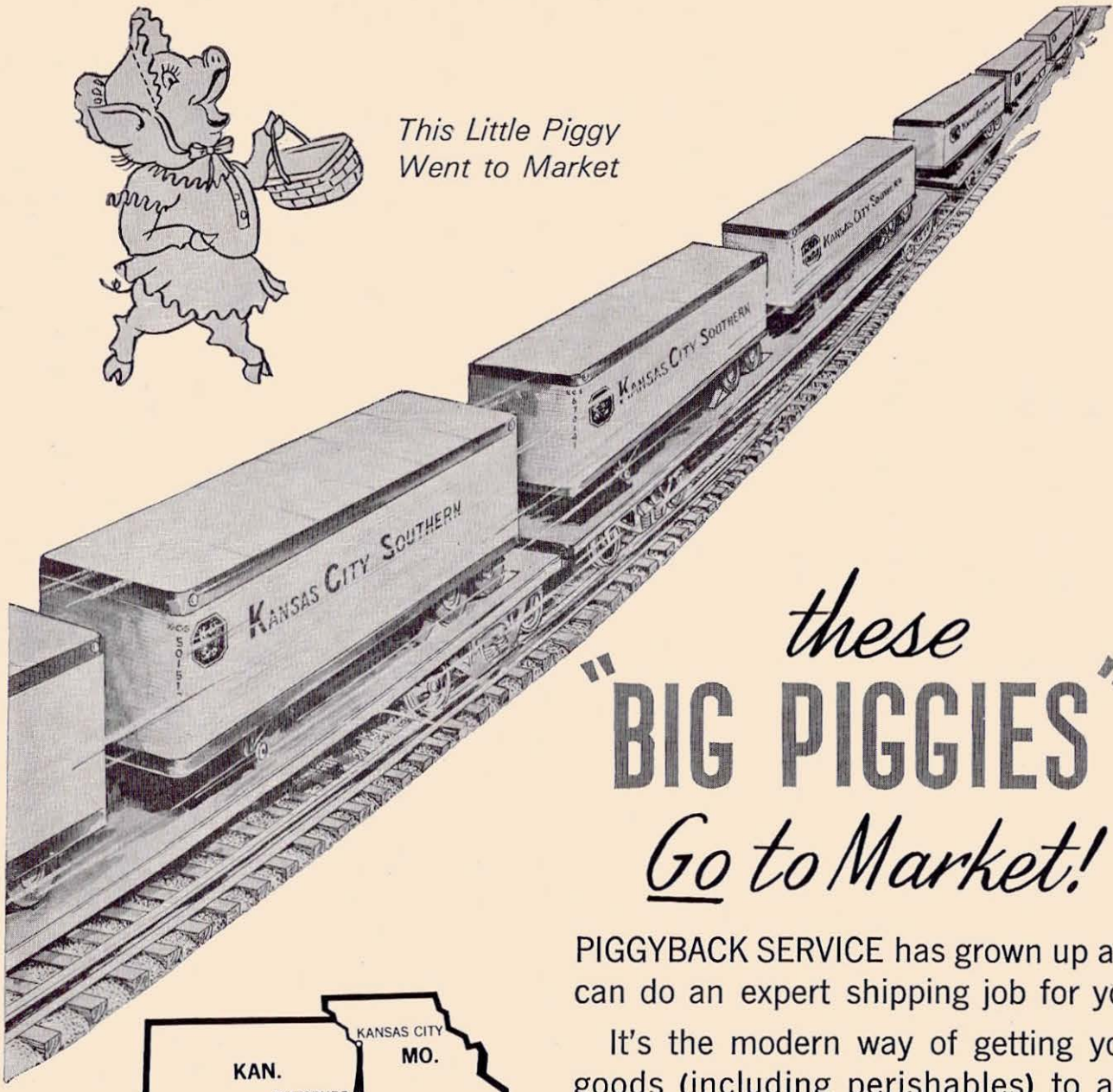

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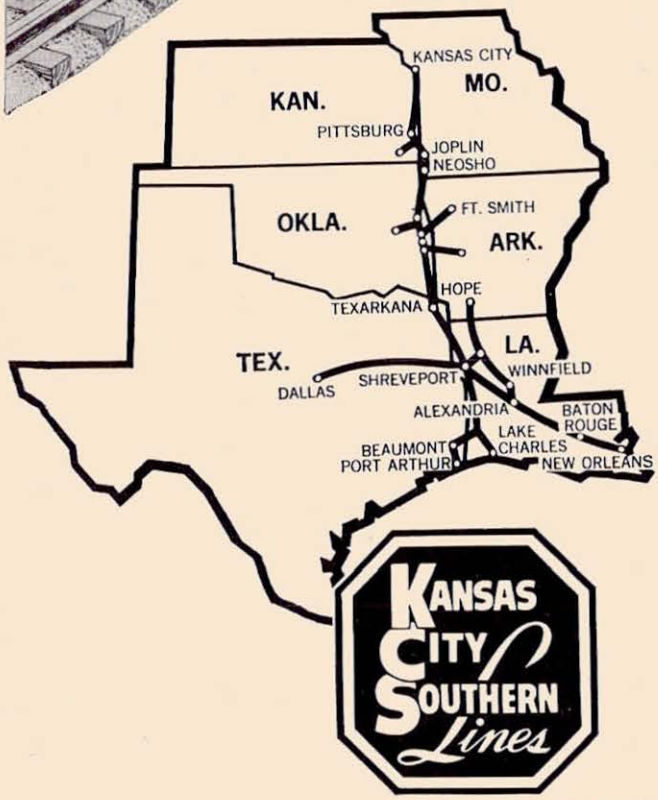

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KANSAS CITY SOUTHERN *Lines*

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SHORT AND SIGNIFICANT

Skokie Swift passes a transit test

Two years ago last week the Chicago Transit Authority, backed by federal and local funds, began a 24-month test operation of rapid transit on Chicago's old North Shore line. From the very first day traffic far exceeded expectations, hitting a headcount of 3,939 passengers—more than double the traffic carried on the old railroad line. Ridership continued to grow, hitting a current daily average of 7,000 persons. Since the demonstration began more than 3,500,000 riders have been served by the line. Last week, although performance records were still being examined, the Skokie Swift line was pronounced a decided success on its second birthday and officially made a permanent part of the CTA system. The work of analyzing and summarizing a mountain of information collected on the Skokie operations will continue. The studies, said a spokesman, will lead to a final report which will draw conclusions that are awaited nationwide as to the benefits and applicability of the Skokie Swift approach to serving urban transport needs.

A toll hike in store for Seaway traffic?

Hearings will be held in Ottawa, Can. next month to consider increasing tolls on the St. Lawrence Seaway. Canadian and U.S. Seaway administrators, after reviewing their financial obligations and conferring with consultants, are talking about a 10% jump in fees for the Montreal-Lake Ontario portion of the international waterway. For the all-Canadian Welland section the collection of cargo tolls would continue to be suspended, but a lockage fee would be introduced to eventually cover the cost of operation and maintenance. Bulk cargo tolls of 40 cents per ton would be increased to 44 cents; general cargo, mainly manufactured goods, presently 90 cents, would go to $1.00 per ton. The toll on gross registered tonnage, based on vessel sizes, would raise to 4½ cents per ton from the present rate of 4 cents per ton.

Mid-March employment up from previous month

Employment on Class I railroads at mid-March totaled 621,917—up slightly (0.13%) from mid-February. Compared with March 1965 there was a 1.66% drop. Meanwhile, however, the mid-March total of executives, officials and staff assistants was up 3.04% from the previous year.

Northwestern Pacific told to restore passenger runs

In December 1964 a disastrous flood virtually wiped out the Northwestern Pacific's Eel River Canyon line between Willits and Eureka, Calif., and it wasn't until July of last year that the railroad got its trains running again. Freight trains, that is, not passenger trains, and that's why the California Public Utilities Commission is complaining. Last week, the California PUC ordered NWP to resume operation of tri-weekly passenger service on the line. NWP says the self-propelled diesel Budd car service is a losing proposition, and asked to permanently discontinue operation. The PUC refused, adding that the service is needed and the road's losses are "relatively small compared to the net income from its over-all operations which (except for losses after the flood) have been profitable since 1960."

Hearings begin on three roads' petitions to join N&W

Erie Lackawanna, Boston & Maine and Delaware & Hudson petitions to join the Norfolk & Western were reviewed as hearings on the proposed inclusion began in Washington last week. But the N&W has already filed its official answer to the proposals, calling the terms "completely unacceptable." The three roads are seeking to join N&W under a 1964 ICC provision involved in the N&W-Nickel Plate-Wabash consolidation.

MONDAY MORNING REPORT

Shippers warily approve idea of S. 3010—but

At a special meeting in Chicago last week the National Industrial Traffic League caucused its influential membership for a position on the federal department of transportation act. The result was neither rejection nor unqualified approval. The NITL did rescind standing policy of the organization which opposed both the creation of a department of transportation in the Executive Branch of government and the appointment of the chairman of the Interstate Commerce Commission by the President. Having erased this old policy from the books, the NITL gingerly went on record as being in favor "of the general principle of a department of transportation, excluding economic regulation."

NITL wants job specs on new secretary

NITL members made it very clear at the meeting that they didn't like the possibility that the secretary of transportation might be able to shape or bend national transportation policy without Congressional approval. The NITL wants the language of legislation to be clear on this point. The new secretary, in NITL's view, should only recommend policy to Congress and assist in the formulation of the levels and areas in which federal expenditures in transportation are to be made.

Shippers retain old bias against presidential picks

The NITL reaffirmed—and extended—its old policy against the idea of presidential appointment of the chairman of the ICC. The League favors the election of the chairman and vice chairman (if any) of each independent transportation regulatory agency from among the members of each agency by a majority vote of the members. The shippers also recognized the merit of having leaders of regulatory agencies serve longer terms, favoring three-year terms for chairmen, vice chairmen.

Want car service function to stay where it is

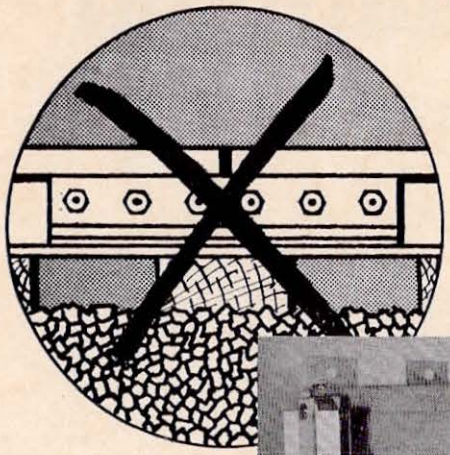
Less debated than practically any policy point during the NITL's special session for searching out a consensus among industrial shippers was a resolution to oppose the transfer of the car service functions of the ICC to the proposed department of transportation. The shippers recognized the necessity for the new department's need for freight car statistics. At the same time they were unwilling to risk the uncharted channels that shipper appeals to a department of transportation might have to take. NITL, in effect, questioned whether there is any need or reason for regulating private cars which, to them, represents regulation of private investment.

Is Act a blank check?

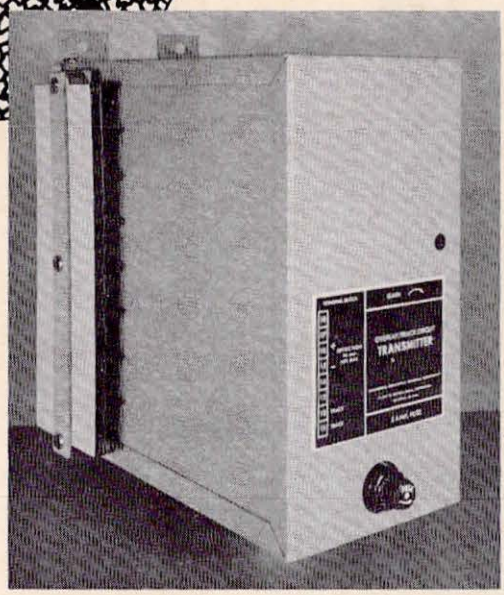
Pivot for much discussion at the NITL special meeting was the fear of placing additional powers within the Executive Branch of the federal government. Despite assurances to NITL from lawmakers that the intent of the Act was not to have the secretary of transportation bypass Congress in any way, the shippers regard the Act's language warily. One of them described passages in the Act as the "largest blank check ever written." Another shipper noted that the power "to use 'safety' as a lever to pry into every aspect of the transportation business is a fishing license" that could be abused.

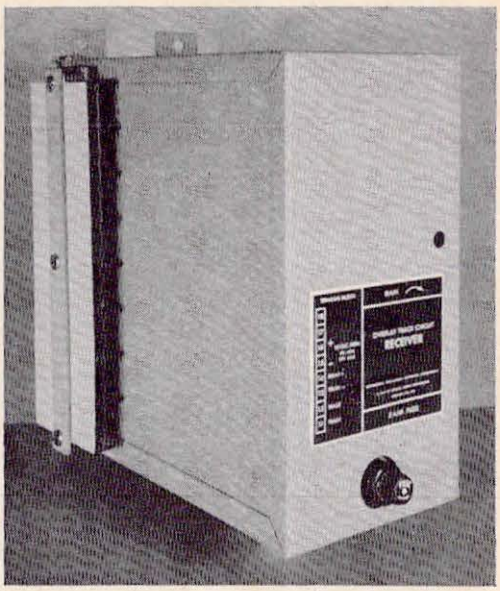
But, a consensus evolved

NITL apprehensions over the language of the Act—and the possibilities inherent in that language for time to come—in the long run proved to be less than the shippers' consciousness of the fact that the transportation department Act was quite defensible as good business for the government. As one member noted, the many functions being concentrated in the new department won't be placing any additional power in the Executive Branch of government. The power is already there, albeit scattered and less efficient.



How can the high costs of insulated joints be avoided at highway crossings ?





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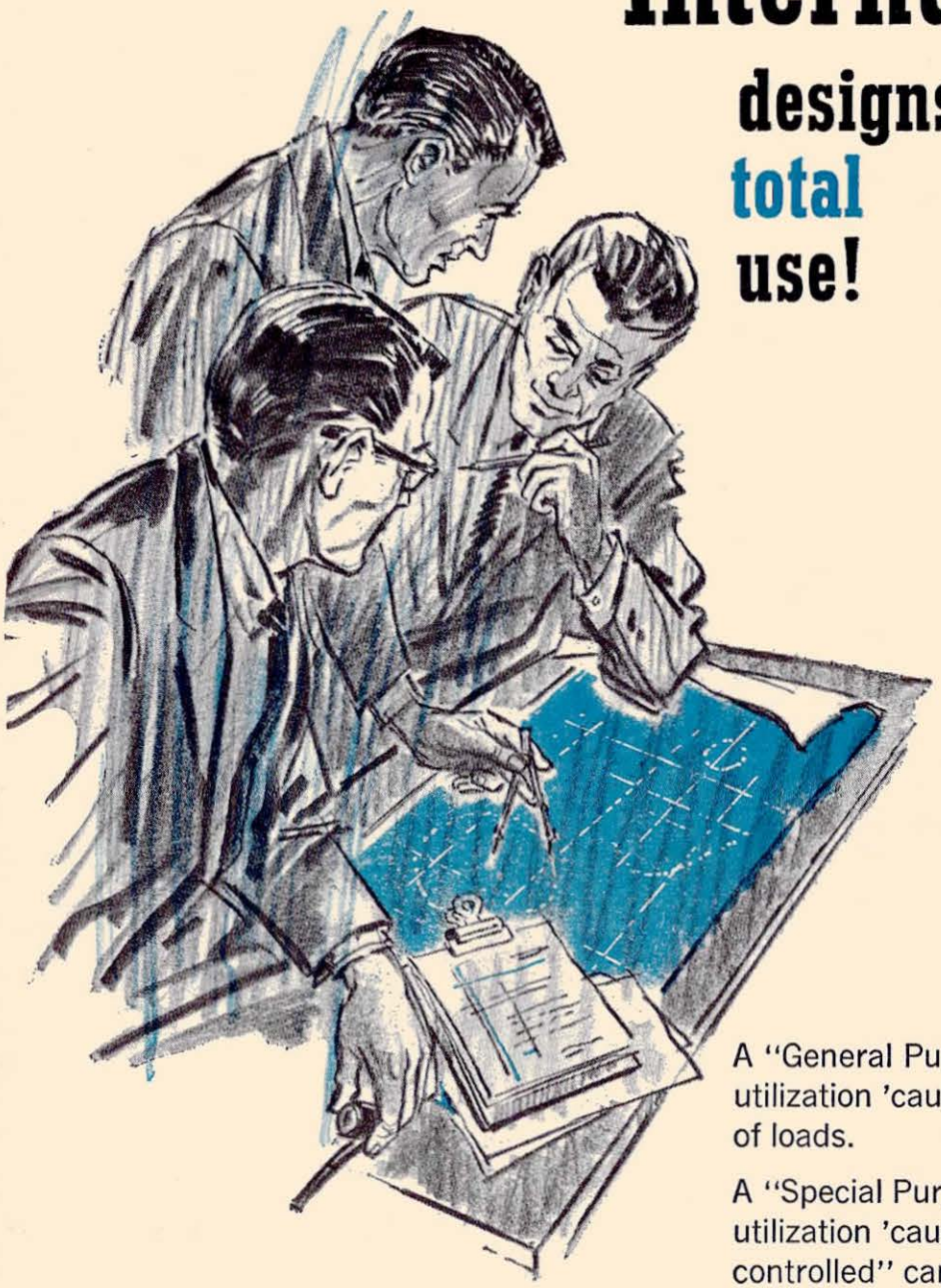

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International Steel designs components which satisfy the needs of both—as close to **"total** utilization" as one car can get!

And **"Maximum Revenue"** from a car depends upon maximum utilization which depends upon **total component** adaptation to **any** utilization.

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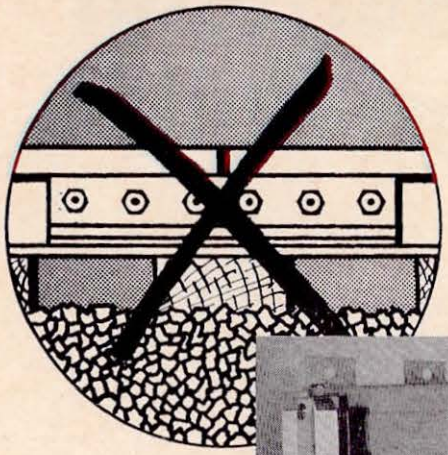

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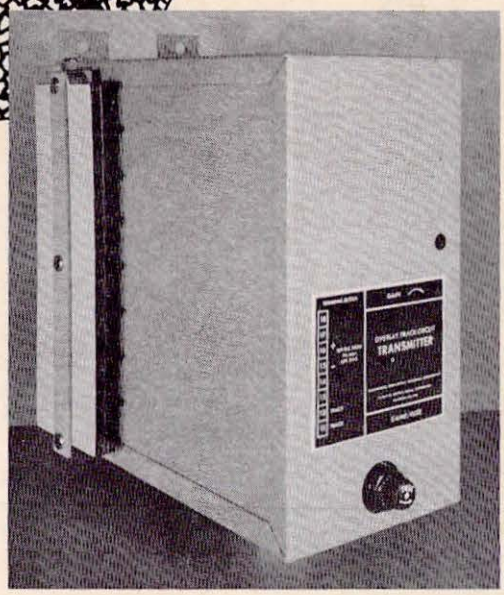

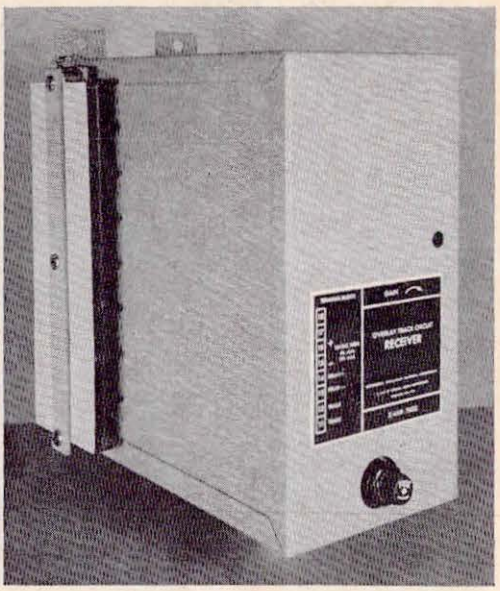

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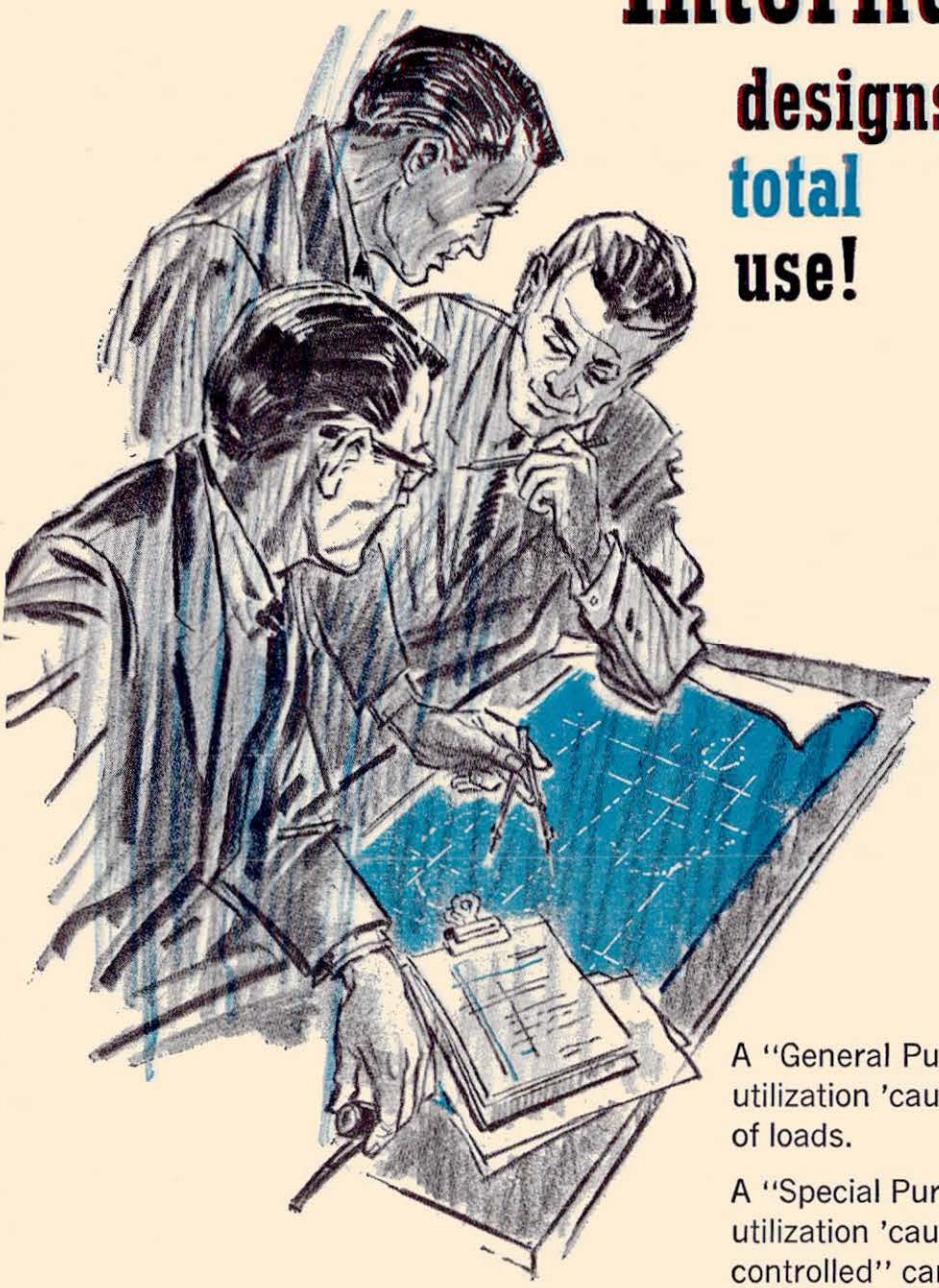

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WEEK AT A GLANCE

N&W's Pevler wants through trains—real ones

Norfolk & Western's President Herman H. Pevler thinks present through operating service is not good enough—and said so last week before members of the New York Railroad Club. He said what are now thought of as through trains are often semi-local trains, and cited the New York-Chicago run, on which he said express freights pick up and drop off cars at some point, and do a fair amount of terminal switching.

"They have been through trains only between major yards," Pevler emphasized. "The time has come for the railroads to develop and put into operation a new concept of the through train—a train which really operates between major producing points and major consuming points, and stops in between only for the purpose of changing crews." If this is done, he said, it will help solve car shortages and improve turnaround time. He added, "if the railroads accept and really push this new concept of the through train, they will be able to move many such trains at near-passenger train speeds. This is bound to develop new business."

. . . and mergers would help bring them about

The N&W's top officer saw the merger route as the way to push the concept to the action stage. Calling the Penn-Central and the N&W-C&O mergers an inevitable part of the country's growth, Pevler thought that formation of two highly competitive Eastern systems "will make possible major breakthroughs in many areas of operations." In particular, he noted, they will make practicable the operation of real through freights between many points.

"By combining traffic volume which is now available but which moves via many and varied routes, and by developing new traffic which will be available when superior service is provided, the railroads will have a much more substantial traffic base to support such through trains.

"More important," he added, "since hundreds of interchanges, which are costly and time-consuming, must be eliminated, the speed of the through trains can be increased and very material savings can be realized by the railroads."

Some lessons learned from commuter operations

The Reading, like other Eastern roads, has had its problems with deficit-making commuter passenger operations. But it has learned much from its experiences, and is even beginning to realize an increase in passenger revenues. Last week, Reading's director of passenger services, J. Richard Tomlinson, listed some of the things to be considered in attempting to run commuter service at a profit.

"First, rail commutation service alone is not the answer. Rail service has its own peculiar economic and political characteristics which vary in every city. It is therefore vital that metropolitan transportation planning groups include representatives of all transportation modes at the outset.

"Second, where rail service now exists, it should be retained." He said that in Philadelphia, for example, building a highway system to do the job transit is now doing would cost about $1 billion.

"Third, people will pay a fully competitive price for service that meets their needs and is well operated. We do not need to be afraid of covering the cost of rail service from the fare box if we provide an adequate level of service with decent equipment and facilities. In this regard, we will be pressing for rapid write-off of passenger rail equipment," he points out.

For his fourth point he listed fare increases. They're acceptable, he said, "provided they are nominal—less than 20%—and accompany an understandable reason for the increase, such as new service, new equipment or wage increases." Frequent small increases are more acceptable, he said, than large hikes every few years.

His fifth point: "Railroad costs are essentially fixed for any given peak service level. Thus there is real opportunity to carry more passengers, particularly in the off-peak period, while holding costs relatively constant."

Opposition voiced to parcel post changes

Proposed legislation that would permit the Post Office Department to handle larger and heavier parcel post packages is in direct conflict with established national policy to encourage private enterprise in transportation, a Congressional committee was told last week. AAR President Daniel P. Loomis advised the House Subcommittee on Postal Rates that the railroads oppose Section 3 of H.R. 12367 because it would create unfair competition and would seriously affect REA Express through loss of business, revenue and employment. The bill would increase the maximum size of parcels moving between first-class post offices from 72 to 100 inches, and the maximum weight of parcels (between first-class post offices beyond the second zone) from 20 to 40 pounds. "If it were our national policy to discourage self-supporting private enterprise in the transportation fields, and our policy is exactly the opposite, Section 3 of H.R. 12367 is precisely the sort of legislation that would be designed to foster such an objective," Loomis said. Also voicing opposition to Section 3 of the bill was John L. Weller, representing the Transportation Association of America. He said passage of the legislation would "generate unfair government competition with the hundreds of private industry companies that are currently engaged in small package service."

Piggybacking's open–tariff issue reaches high court

The U.S. Supreme Court has agreed to review the lower court ruling which set aside an ICC order that would require railroads to extend Plans III and IV piggyback services to truckers. Plans III and IV are ramp-to-ramp services, the former with trailers owned or leased by shippers, and the latter with both trailers and flat cars owned or leased by shippers. Freight forwarders have been big users.

GUS WELTY'S LINES ON LABOR

WELTY

THE SOLIDARITY of the railroads, as much as any other single factor, nailed down the coffin lid on the Brotherhood of Locomotive Firemen & Enginemen and its March 31 strike. Certainly, there were other elements working against the BLF &E—orders issued and upheld in the courts, pressures brought to bear by government officials, the fact that the union's case was ripped apart in the press. But all these adverse conditions might have been accepted by the Firemen with some equanimity if only the union had been able to crack the railroad front, to split one or two carriers off from the rest.

DIVIDE AND CONQUER is a fine old principle—one which has worked well, historically, for statesmen, generals and union chiefs. In striking eight rather widely scattered railroads, the BLF &E seemed to be creating a situation made to order for a split-and-smash operation. But there wasn't any split—and if anybody was smashed by the walkout, it certainly wasn't the railroads.

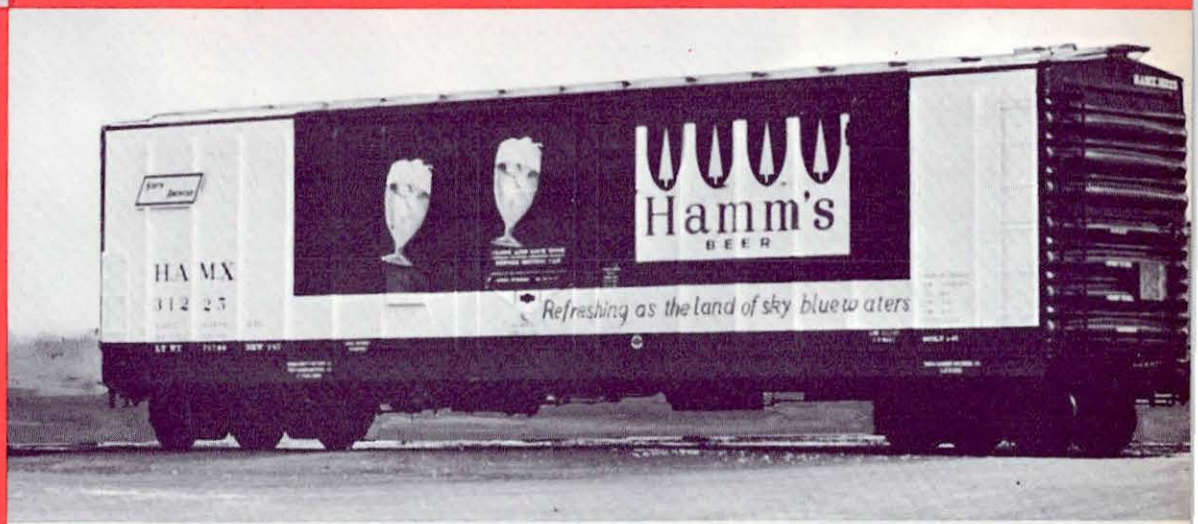
IN LOOKING BACK over the days of the strike, observers can spot several points in time at which a crack in the solidarity might have occurred. First of all, there must have been a moment of shock when the issuance of a court order failed to produce an immediate return to work. Then there was the announcement of the union's "conditions" for ending the walkout, and the indication from the industry side that decisions on two of the demands—dealing with contempt citations and damage suits—would be within the province of the individual roads involved. Finally, there was the steady build-up of pressures of an economic sort, as the eight struck railroads remained idle while their direct competitors were operating.

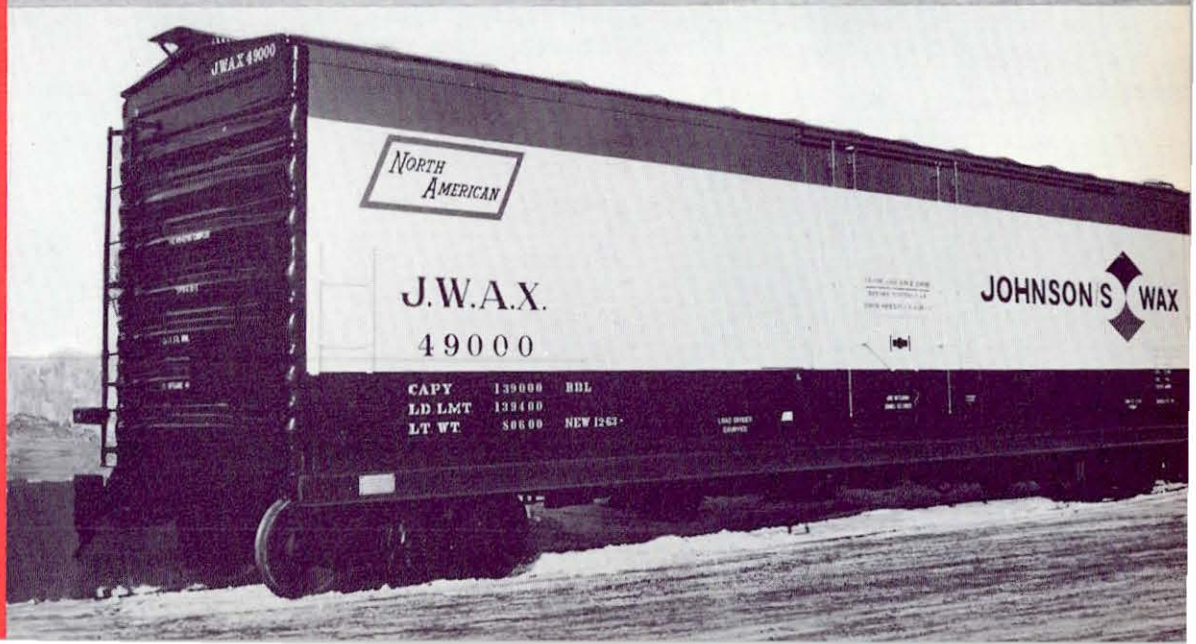
POWERFUL TEMPTATIONS were being dangled before the managers of those eight carriers. But nobody broke step. It would be only reasonable to assume that among eight sets of managers there were those whose determination was more or less grim than others. But the pressures and the temptations were resisted; the solidarity held.

ONE OF THE BIG WEAPONS of the union movement has been this same kind of solidarity—within a union and among unions. Managements, to be perfectly frank about it, haven't alway displayed such firmness of purpose. But this time they did—and the results were impressive. Union leaders might well read the record of the BLF&E strike with great care—and with the realization that the railroads, too, can bring up the "big weapon" of solidarity.

Circle 7 on reader service card ▶

Over 3,000 void-free cars equipped with LANDRETH Pre-molded Urethane foam Panels*





Patent No. 3,226,899.

Reduce labor costs with easy-to-install LANDRETH Pre-molded Urethane foam Panels

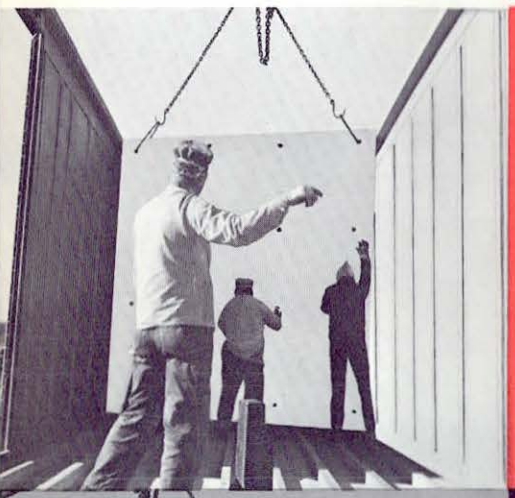
Landreth continues to pioneer new equipment and systems for the transportation industry. Landreth's experienced engineers have dedicated over 60 years of service to the railroads as well as to the research and development of quality, labor-saving, and profit-making systems and products.

Our modern plants operating under controlled laboratory conditions, supervised by trained engineering specialists to insure the best possible insulation to suit your custom needs.

Ten foam machines, equipped to provide uniform volume and temperature control of the feed streams insure fast and efficient production.

Now you can free capital that would normally be invested in special facilities, research laboratories, engineering, and labor.

How to reduce costs and increase efficiency

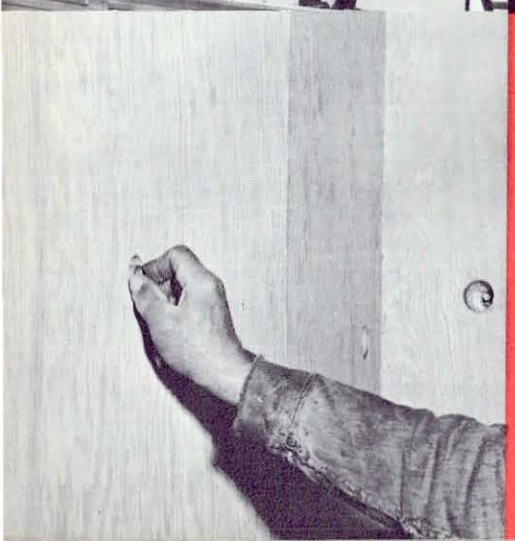


1 Workmen lowering end panel into place. Panels are moved into production line on freight cars and lifted into cars on cranes.

2 Workmen lowering side panel into place.

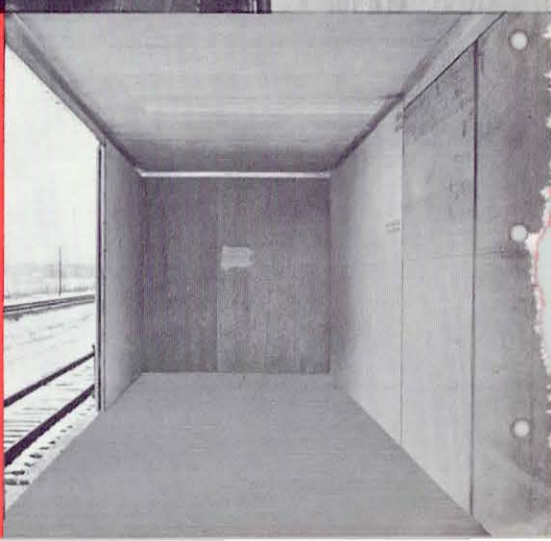
3 Workmen fitting side panels into place. Only 14 panels per car—panels are pre-trimmed, complete and ready to bolt into place for the sides, ends, ceiling, floor, and door.

4 Workmen fastening "Nelson" stud to outside post. Insulation thickness is reduced by ½ over conventional insulation materials.



5 Workmen inserting attaching device which when tightened, secures panel to side of car. This effective fastening system provides fastening without the normally associated heat loss.

6 Finished car. All joints foamed to insure a complete air-tight car.



Landreth panels increase insulation efficiency and cut costs

The new Landreth Pre-Molded Urethane Foam Panel enables railroads and car builders to build a better car faster and with less man hours in their shops.

The new Landreth system enables the builder to provide a Urethane Foam car without the necessity of installing special machinery and costly facilities.

Landreth Pre-molded URETHANE foam Panels engineered and proven best by test

The Inside Story of Budd Report #2238

The Landreth Insulated Car equipped with Landreth's Pre-Molded Urethane Foam Panels has just undergone exhaustive tests. After six months of road tests, the car was tested in The Budd Company testing laboratories in Philadelphia.

Here are the startling results from the Budd Laboratory's report.

The car constructed with the Landreth Pre-Molded Urethane Foam Panels was to be tested against two other cars constructed with Urethane Foam block. All the cars had been previously road tested for six months or longer.

The Landreth equipped car had absolutely no air leakage, no hot spots, and *no voids in the foam.* In addition, at 100 degrees differential, the car built with the Urethane Foam block had a BTU average of 143 BTU's per hour. The car equipped with the Landreth Pre-Molded Urethane Foam Panels also at 100 degrees differential and tested under the exact conditions, showed an average of just 93 BTU's per hour.

The Landreth Insulated Car was at least 50% more efficient than the car constructed with foam block. Conclusive proof that the Landreth Pre-Molded Urethane Foam Panel—is "Best by Test"!

Reduce labor costs with easy-to-install Landreth pre-molded Urethane foam panels*

Landreth Pre-Molded Urethane Foam Panels provide a lower K factor, as low as 0.11 (BTU's/sq. ft./hr./°F/in.) at 70 degrees as compared to 0.23 for conventional insulation. Over 90% of Urethane cells are closed. Thus, locking out moisture.

Check these features that make LANDRETH pre-molded Urethane foam panels*— best by test!

- ★ No Air Infiltration
- ★ No Localized Hot Spots
- ★ Non-Burning Foam
- ★ Easy Repairs
- ★ Seamless Vapor Barrier
- ★ Greater Thermal Efficiency
- ★ Thinner Walls
- ★ Completely Pre-Fabricated
- ★ Guarantee No Voids
- ★ All Joints Foamed
- ★ No Moisture Absorbtion
- ★ Odor Free and Non-Toxic
- ★ Fungus and Rot Proof
- ★ Added Structural Rigidity
- ★ Improves With Age—Does Not Deteriorate
- ★ Fire Proof
- ★ Does Not Split or Settle From Road Vibration or Temperature Change

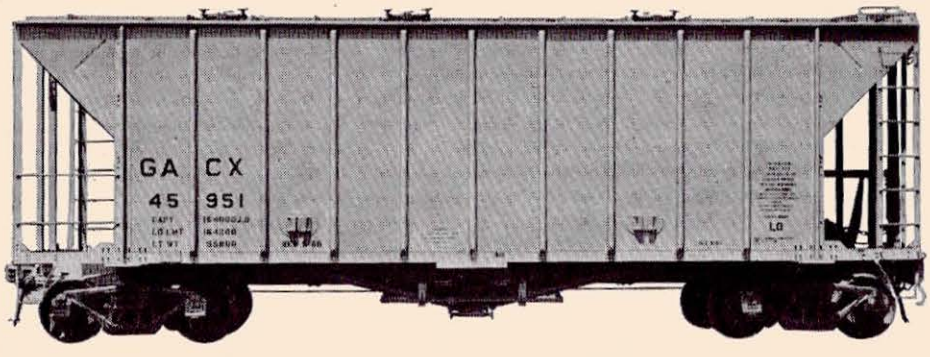
Highest quality controlled Urethane material on the market today

Patent No. 3,226,899.

Landreth INDUSTRIES INC

LANDRETH INDUSTRIES, INC.
2100 Greenwood Avenue • Evanston, Illinois • Phone: 328-2062

The Airslide® Car is the standard way to ship dry, granular or powdered materials.



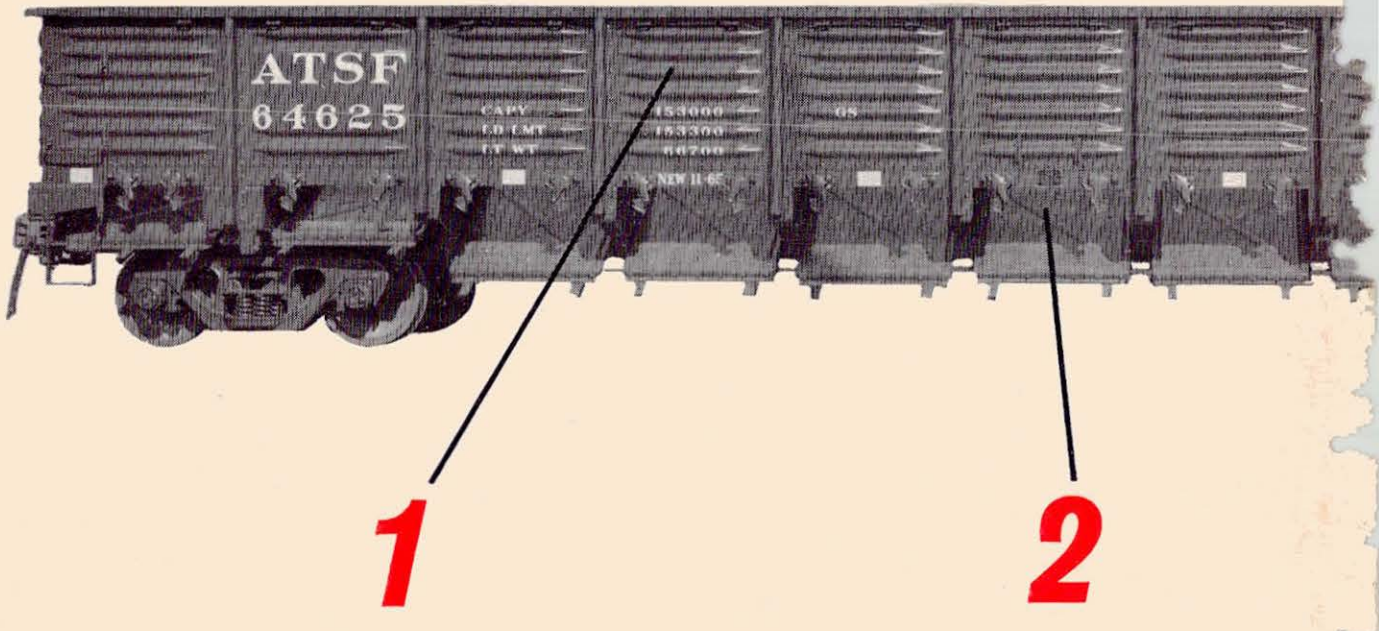
Shipping flour, sugar, starch, cement or chemicals in Airslide cars is standard practice. In fact, no better cars have ever been built to solve the difficult problem of handling compacted ladings. The Airslide car fluidizes your lading to prevent bridging and packing. Also, it allows unloading into *any* conveying system. The Airslide car is available in two sizes: 2600 cu. ft. or 4180 cu. ft. At present, there are more than 9000 Airslide cars in service or on order. To insure trouble free operation, write or call us.

FREIGHT CAR DIVISION
GENERAL AMERICAN TRANSPORTATION CORPORATION
135 SOUTH LASALLE STREET, CHICAGO, ILLINOIS 60690

GATX™

Circle 8 on reader service card

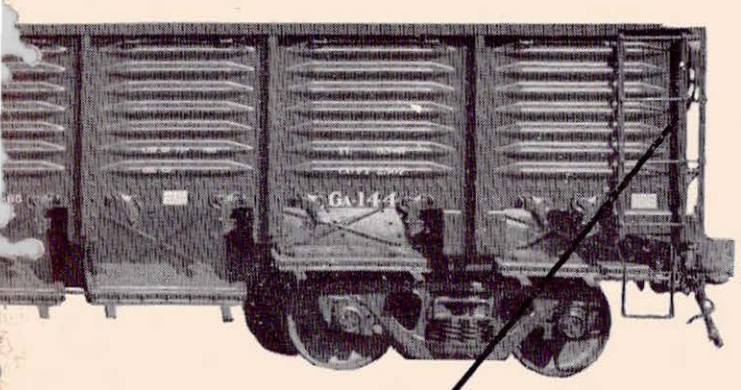
Just how many parts



Quite a few. On this new gondola car, built for the Santa Fe by Greenville Steel Car Company, Standard components used were: **1.** the corrugated sides; **2.** the drop doors; **3.** the corner posts; **4.** the coupler release rigging; **5.** the Standard coupler centering device, and **6.** the dreadnaught steel ends. Oh, yes—and some parts you don't see, like the lading bumpers.

To see them all first hand, please contact your Standard representative.

does Standard furnish?



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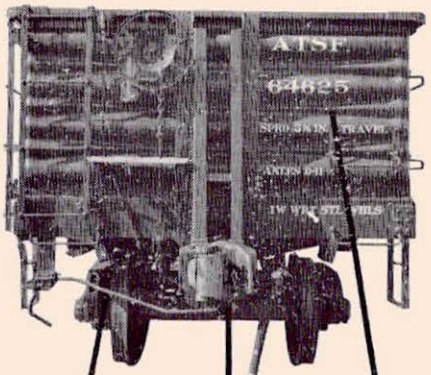


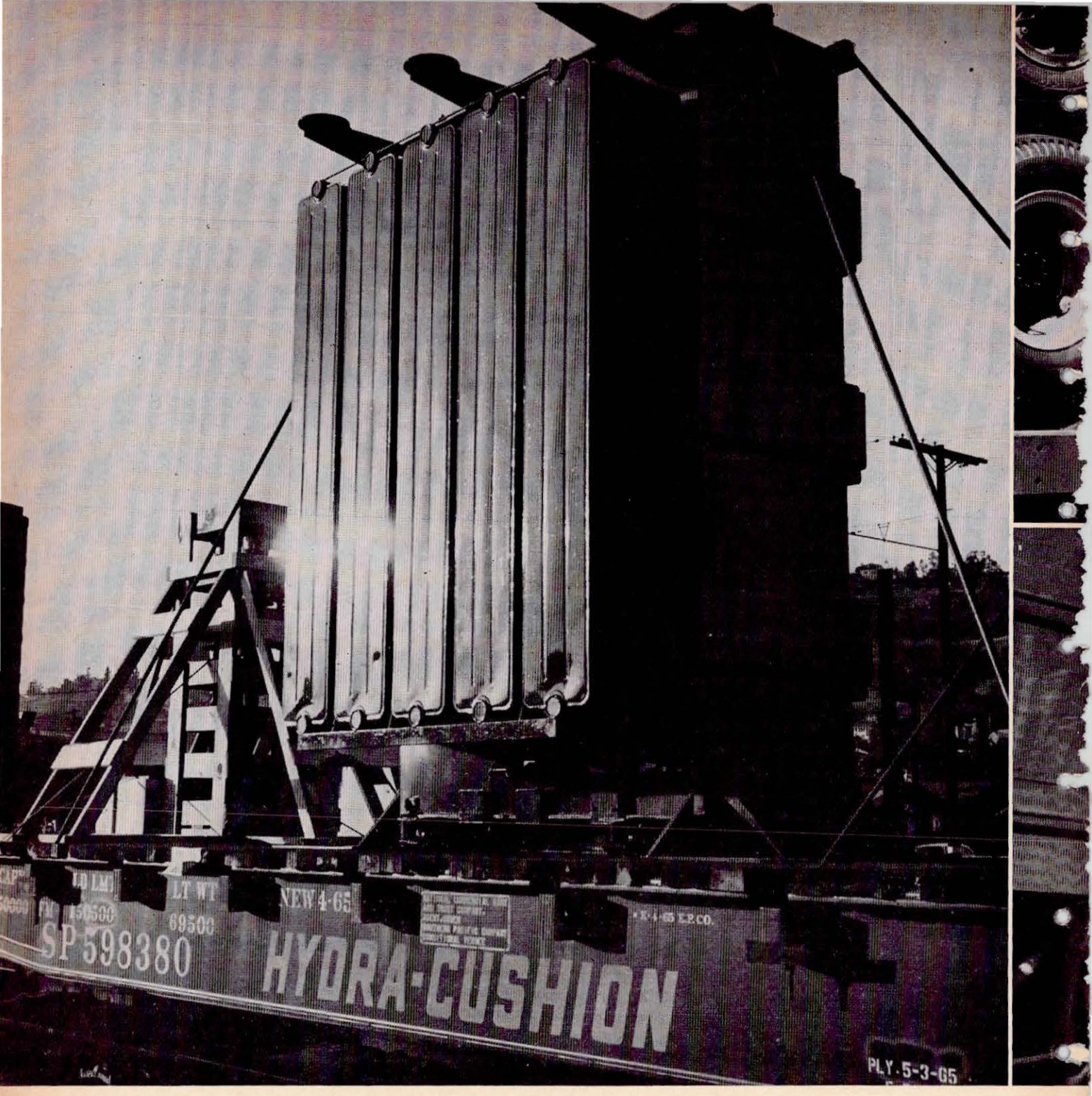
4 5 6

STANDARD RAILWAY EQUIPMENT

division of STANRAY CORPORATION

Hammond, Indiana • New York • Chicago

Circle 9 on reader service card



Almost any lading and car need this extra margin of cushioning safety.

No other cushioner has it. Hydra-Cushion builds it in!

The Hydra-Cushion Underframe does not depend solely on hydraulics. It combines hydraulic with mechanical cushioning action.

This combination gives car and lading an extra margin of cushioning safety not obtained with other modern underframes. This safety margin derives from the unique design of the Hydra-Cushion Underframe: its mechanical components *alone* cushion a fully

HC® HYDRA-CUSHION®

loaded 100-ton car against impacts up to 6 MPH! And it does not depend solely on mechanical action —its hydraulic unit combined with its mechanical assembly absorb the full range of impacts normally encountered in modern freight car handling.

Shippers who use Hydra-Cushion equipped cars know their lading gets an extra margin of cushioning safety. Railroads know their investment's protected to the fullest.

UNIQUE CONVERSION FEATURE

When you want to convert 100-ton cars with 70-ton trucks to 100-ton cars with 100-ton trucks, the only conversion necessary in your Hydra-Cushion Underframes is simple replacement of a metering pin costing less than 10 dollars! The Hydra-Cushion Underframe is the only cushioning device that offers this unique feature.

UNDERFRAMES

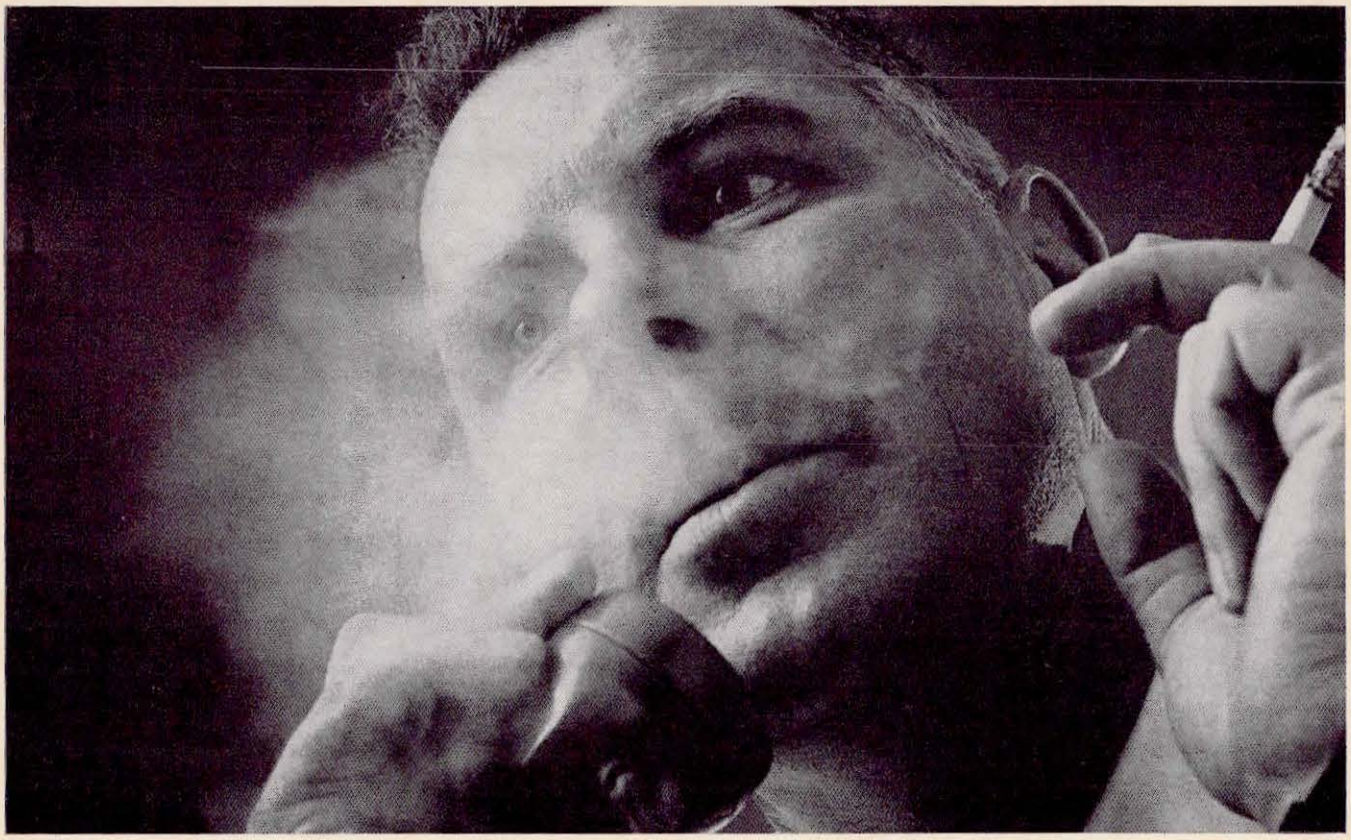
HYDRA-CUSHION INC.

13101 Eckles Road, Plymouth, Mich. 48170
332 So. Michigan Ave., Chicago, Illinois 60604

Canadian Representative: International Equipment Co. Ltd., Montreal

Circle 10 on reader service card

"Sure, Seaboard will spot your car by 9 A.M."

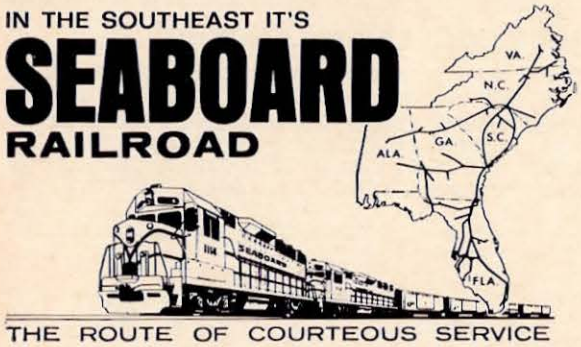


Merely reporting good news is one thing. Helping to make news good is quite another. Your local Seaboard representative works with you every step of the way when you route "S.A.L." to and from the Southeast. He wants to supply the right cars for your commodity, the most advantageous rates, the best schedules.

Add him to your shipping team. Use his thorough knowledge of our railroad and the area we serve, and what we are prepared to do to help you whenever you "Seaboard it."

IN THE SOUTHEAST IT'S

SEABOARD
RAILROAD



THE ROUTE OF COURTEOUS SERVICE

Circle 11 on reader service card

A Lord capability: controlling massive motion and high impacts of railroading to reduce L and D.

There are many reasons you should talk to Lord about shock control.

One is our experience.

For more than 40 years Lord has pioneered in controlling shock with bonded rubber products. We're ready to put this experience to work for you.

Bonded rubber is tough

Lord bonded rubber is special. It's engineered with a backbone of steel to carry heavy loads. It thrives on hard knocks. Never stops cushioning, even after many thousands of deflections. Needs no lubrication. And has built-in properties that protect it from temperature, weather, grease, grit and grime.

We know your problems

We've kept close track of your technology and shock problems. And we can talk your language.

The result has been new ideas to reduce damage and maintenance. Examples: Traction Motor Mountings have stopped motor damage, still performing like new after 600,000 miles. Dyna-deck® shock control systems provide 12-inch travel to cushion ladings. Many other Lord products have also proved they can handle the rough assignments.

What's in it for you?

A simple and long-lasting answer to your shock problem. We'll combine the benefits of bonded rubber with engineering know-how to meet your needs exactly. Nobody is more ready or qualified to offer this service.

Write: *Lord Manufacturing Company, Division of Lord Corporation, Erie, Pa. 16512. Field Engineering offices in principal cities. In Canada: Railway & Power Engineering Corporation, Ltd.*

The leader in vibration/shock/noise control

LORD®

Circle 12 on reader service card

"Never marry a Humble Railroad Man."

He'll stand *anybody* up at a time like this. On Sunday morning at 10 o'clock, a railroad called for two tankcars of DIOL® RD 80 diesel lubricating oil — for same-day delivery.

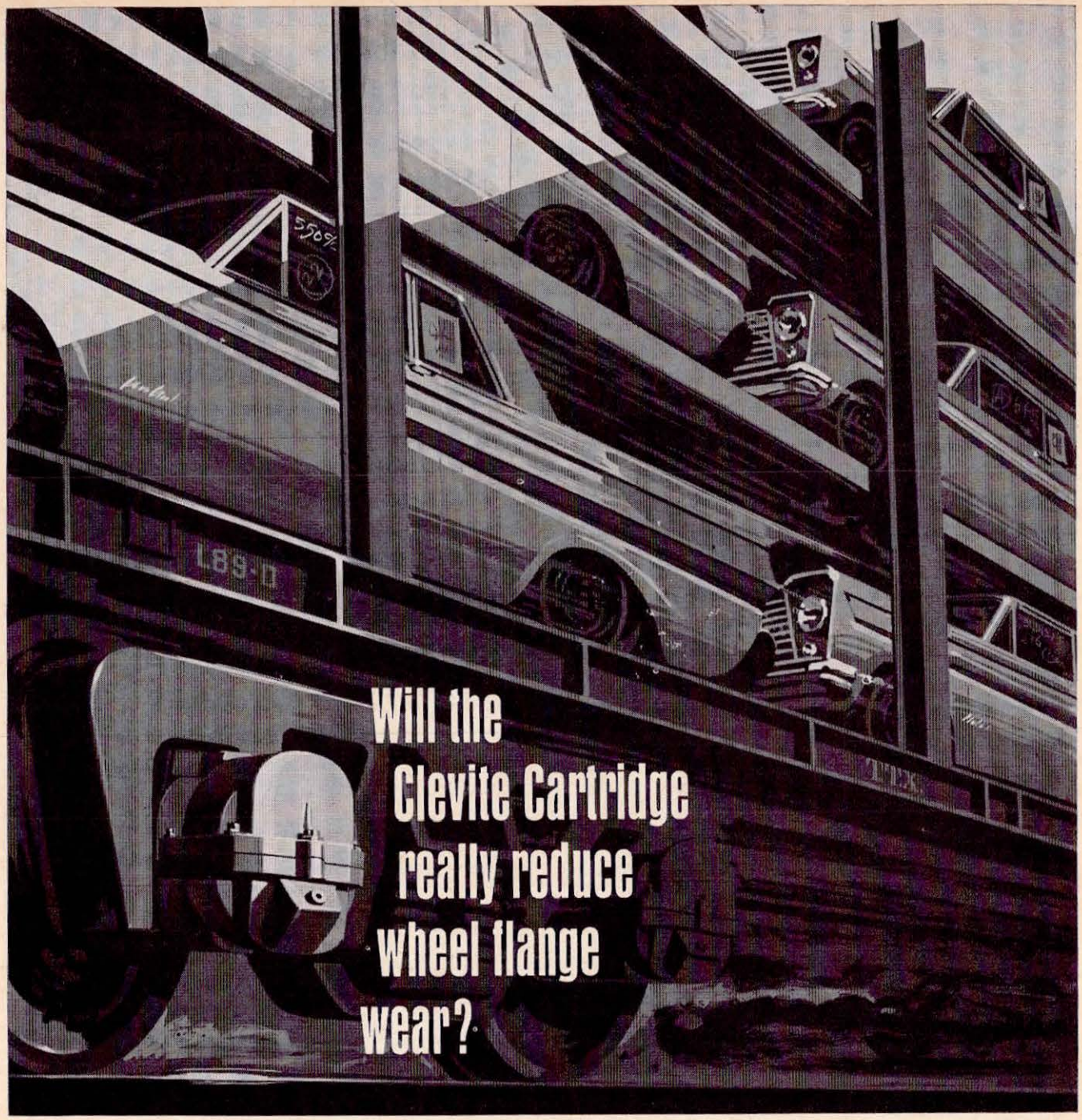
The order should have been placed three weeks before. Now the purchasing agent was in trouble.

But our man understood, because he *started* in railroad shops, like most Humble railroad men. So he postponed all other plans and quietly set about mobilizing the resources of Humble to keep the locomotives running.

Humble railroad representatives may be a little late to church sometimes. But the Scriptures cover it . . . with a parable about pulling the ox out of the ditch.

Call us *any* time you need help.

HUMBLE OIL & REFINING COMPANY . . . THE PEOPLE WHO "PUT A TIGER IN YOUR TANK!"



Trailer Train is finding out.

Recently Trailer Train installed 70 car sets of journal bearings on 60-foot flat cars. This is in addition to 57 Clevite-equipped cars that have been on the road up to 2 years.

Like many railroaders, Trailer Train operators believe Clevite's lateral motion may prolong wheel life and extend service time between wheel turnings.

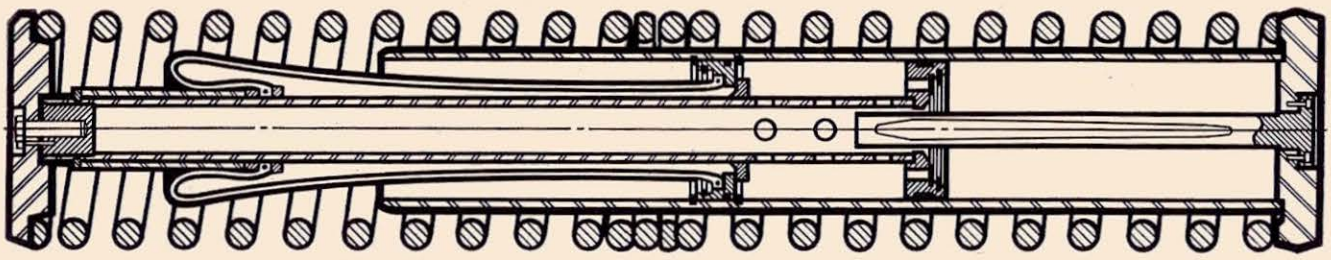
And when it comes to wheel lift-off (high center-of-gravity cars tend to behave this way under certain conditions) Clevite's controlled lateral motion provides the necessary truck freedom to minimize this problem.

If your Road is not familiar with Clevite, we should talk things over. Because the Clevite cartridge can easily save you money over the long haul.

CLEVITE

For information, write Clevite Corporation, Cleveland Graphite Bronze Division, Cleveland, Ohio 44110.

Circle 14 on reader service card



What's the safest distance between two shipping points? The 30-inch travel length of the Hydroframe-60® cushioning unit.* It's proved. It's patented. By Pullman-Standard.

A DIVISION OF PULLMAN INCORPORATED

PS

WORLD'S LARGEST RAIL CAR MAKER
200 South Michigan Avenue, Chicago, Illinois 60604

*COVERED BY U.S. PATENT 3,003,436. OTHER PATENTS PENDING.

Circle 15 on reader service card

NOW...

ALL "PL" TYPE CUT-OUT COCKS HAVE O-RING SEALS!

The New York Air Brake Company was first to offer Teflon* coating of Cut-Out Cock Keys having the advantages of permanent lubrication, ease of operation and freedom from corrosion.

Now—with the introduction of O-Ring Seals to the full line of "PL" type Cut-Out Cocks, the troublesome leakage of air to atmosphere at the upper end of the Key is effectively eliminated. Additionally, plating of all external and internal surfaces of Cut-Out Cock bodies after machining, provides hard and durable anti-corrosion protection.

Write for full information on these permanently reliable, low-cost Cut-Out Cocks.

**Registered trademark of DUPONT*

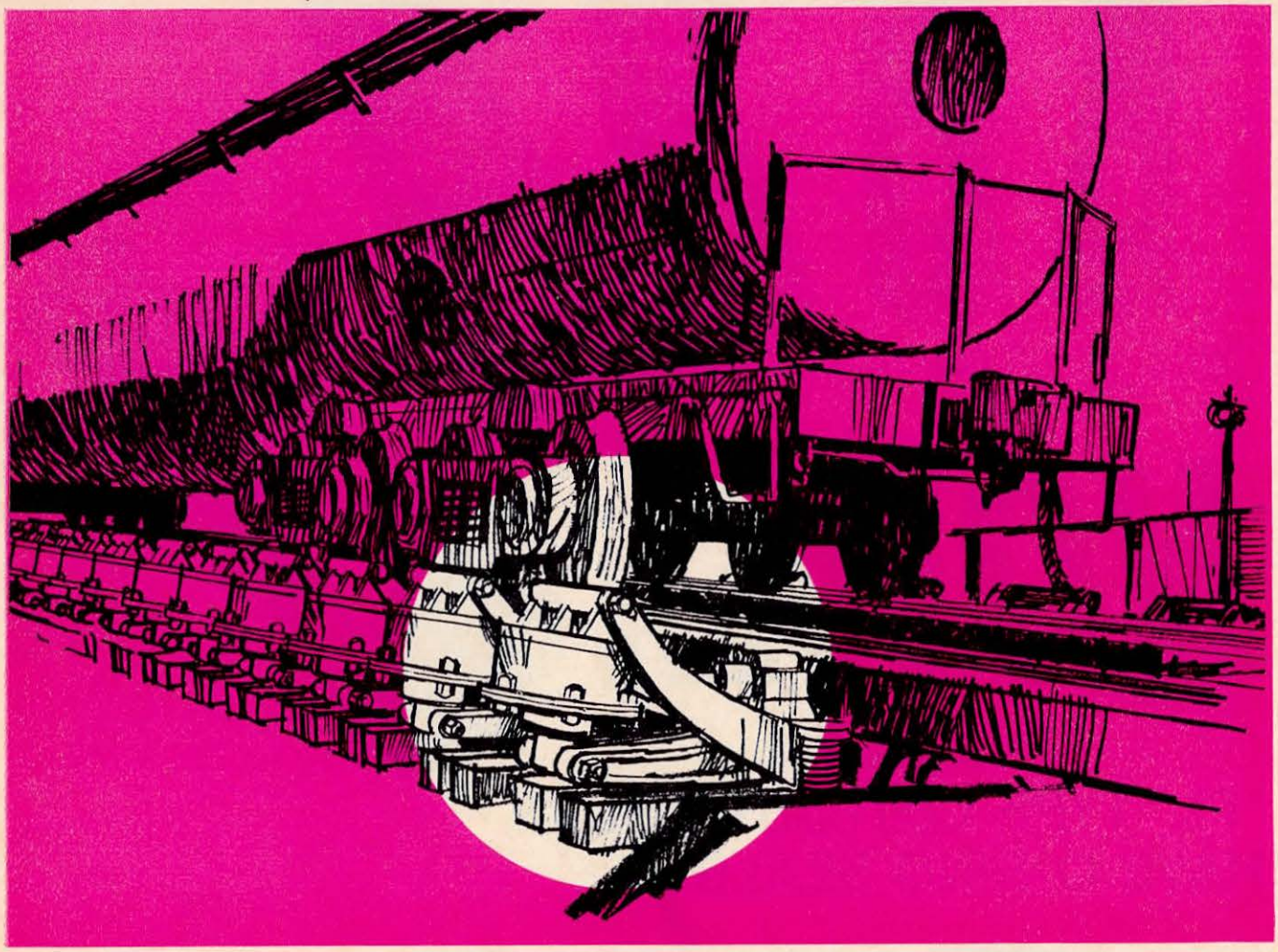
Another Product Innovation by

THE NEW YORK AIR BRAKE COMPANY

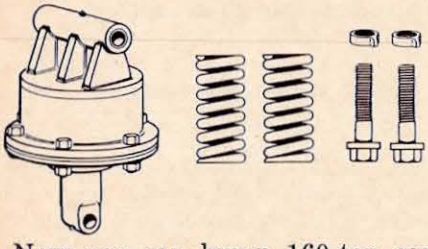
230 PARK AVENUE • NEW YORK, N. Y. 10017

Circle 16 on reader service card

WABCO



UPGRADE ON YOUR DOWNGRADE



WABCO's new Hevi Car Kit increases retarder capability 60% at 1/5 cost of a new retarder

Now you can hump 160-ton cars with the same speed and ease as light or medium cars, *without* installing new retarders. All you need to beef up your present retarder capability is the WABCO Hevi Car Kit—installs quickly with minimum effort and expense.

Modification with the Hevi Car Kit is so simple it can be scheduled as routine maintenance—no yard downtime, no interruption in service. The Kit consists of a 14½" diameter cylinder, which replaces the original 12" cylinder, and associated hardware. The efficient, short-stroke design of the cylinder requires no replacement of air compressor or of retarder control valves. At 100 pounds per square inch gauge pressure a 46% increase in retarding force results. Adjusting the pressure to 120 psig produces a 60% increase.

For additional information on how to step up the throughput of your class yard without buying new retarders, write or phone your Union Switch & Signal Sales Engineer, or contact C. F. Wert, Manager Railway Sales, Union Switch & Signal Division, Westinghouse Air Brake Company, Pittsburgh, Pennsylvania 15218.

A NEW SWITCH IN UPGRADING CLASS YARDS FROM UNION SWITCH & SIGNAL

Circle 17 on reader service card

Shippers say freight selling is better-but!

Carrier salesmen still need to know much more about their own and shippers' companies.

1) Do you, in general, think the selling of freight service is better than it was, say, five years ago?

Yes, it is better	50
There is no great change	20
It is worse	5

2) Do you, also in general, think freight salesmen are better informed and are doing a better job than used to be the case?

Yes	49
No great change	19
Not as good	6

3) Has any mode of transport shown particular improvement?

All	2
Railways	40
Trucks	24
Water carriers	5
Air lines	19
None	3

4) What would you suggest for a still better job of selling?
(Answers to this question appear in the text below.)

There is still lots of room for improvement in the selling of freight services, by all modes of transport.

Biggest single need is for better informed, better trained salesmen.

Those conclusions emerge from comments submitted in this month's Traffic Poll against the background of actual tabulated votes (above). As those figures alone clearly show, without need for detailed analysis, shippers feel that:

—Selling by all modes of transport is better, in general, than it was as recently as five years ago;

—Freight service salesmen, still in general, are also better; and

—Railways have shown the greatest improvement.

The over-all gain, suggests Howard Pollen, traffic manager, P. Ballantine & Sons, Newark, N.J., may be because "most carriers are now healthily 'marketing-minded,' and more interested in shippers' problems, both costwise and servicewise." The railway gain, says J. Douglas Dawson, general traffic manager, Norton Co., Worcester, Mass., may perhaps be attributable to the fact that "the threat of survival because of mergers has most rail salesmen on their toes."

● **Long way to go.** With the general improvement all along the line, however, the railways' margin over their combined competitors is too slim for complacency. And the supporting comments, summarized in the opening paragraphs of this review, clearly show that railways, truck lines, water carriers and air lines all have a long way to go to satisfy shippers.

Biggest single need, listed by nearly half of all Poll respondents, and five times as often as any other single requirement, is for better informed salesmen. Only this factor is considered in this first portion of the Poll report.

● **Also needed.** The second requirement, mentioned by about one respondent out of every 10, is for shorter and more businesslike, but perhaps more frequent, sales calls.

Trailing that, with five or fewer listings each, were:

—More alertness in keeping shippers informed of coming developments.

—Better communication between salesmen and other departments of their own companies.

—More service for salesmen to sell;

—Better motivation, greater authority and higher status for sales forces.

Because of the number of replies and length of appended comments, shipper opinion on these points will be reported in a future issue.

● **All along the line.** The great need for salesmen to be better informed is variously stated by different respondents, but those respondents as a group indicate that it extends to just about every facet of a salesman's work—knowledge of his own company's facilities, equipment and services; of his customer's business; of the over-all business picture; of rates; of classification, and of what competitive carriers are doing or can do.

R. L. Andreas, manager of traffic, American Oil Co., Chicago, thinks, for example, that a salesman should have "a well-organized and practical working knowledge of the rates and services of his carrier; a general understanding of his customer's business and transportation problems; and an objective, businesslike but tactful approach, slightly on the 'hard sell' side. We like carrier representatives to know what they want, ask for it, and tell us why they should have it."

"A complete educational program for salesmen in their company's total operations and services" is recommended by R. C. Dallow, administrative traffic manager, National Distillers & Chemical Corp., New York. He suggests also that salesmen have "a working knowledge of operating procedures to insure their at least knowing whom to contact in event of emergency shipments or congestion; an understanding that they will determine if a route is applicable before they solicit tonnage; and a periodic renewal briefing course to make sure they are familiar with legislation and labor problems affecting transportation in general and their companies in particular."

Dallow's comments are echoed in part by Lee K. Mathews, GTM, Missouri Portland Cement Co., St. Louis, and by R.S. Trittelwitz, TM, Durkee-Atwood Co., Minneapolis. "Transporta-

'Too many are either ignorant or indifferent'

tion companies," Mathews writes, "should have in their traffic and operating departments trainees who are specifically earmarked for freight sales jobs. They should encourage their salesmen to engage in continuing education in the business logistics field."

Trittelwitz suggests that "salesmen know company policy and operating procedures before being sent out into the street. Too often carrier management has only given them the bright side of the company's position, so they are not prepared to go into detail about matters which a shipper has to know before making a selection."

G. T. Gleason, assistant traffic manager, Zellerbach Paper Co., San Francisco, calls for essentially the same thing. "Due to consolidations," he comments, "old line men are retiring and people in other jobs are being put into marketing or traffic with very little training or education as to their responsibilities. Many are hitting the street after 30 or 40 days' railroad experience."

"Regular study courses which would give men more information on their own services as well as those of their competitors" are advocated by R. W. Bagby, TM, Dempster Mill Mfg. Co., Beatrice, Neb.

"Too many solicitors know too little about their own facilities, and the uses to which those facilities can be put," says D. T. Warner, Jr., manager, transportation services, American Steel Foundries, Chicago. He suggests that "all carriers educate their solicitors to their own facilities and what those facilities can do for a shipper."

● **Service, equipment and rates.** Other respondents call specifically for salesmen to be given better information about equipment, facilities, rates and services.

They should have "a good basic knowledge of the railroad they are representing," says R. J. Petska, manager, Transportation Bureau, Cedar Rapids, Iowa, Chamber of Commerce. "Not enough of the new men have any knowledge of rate-making, and this should be a 'must'," he adds.

"More specific information regarding new equipment, new types of operations, revised rates, etc." is recommended by H. B. Brown, GTM, Mobil Oil, New York. Also from New York, J. H. Hayghe, traffic director, American Tobacco Co., calls for "greater knowledge of facilities and operating procedures."

W. G. Ege, manager of traffic for Archer-Daniels-Midland's Agricultural Group at Minneapolis, thinks salesmen should have "more knowledge of equipment and distribution, of all services that can be offered to a shipper, and of any future plans that shipper and carrier, together, can utilize to the utmost for common good."

P. J. Johnson, GTM, Dennison Manufacturing Co., Framingham, Mass., sees a need for salesmen to "be better informed as to rates and classifications." His view is shared by E. A. Timm, director of transportation, St. Paul Area CofC, and by S. L. Parker, TM, Pacific Lumber Co., Scotia, Cal. "Give salesmen some orientation in the handling of rate negotiations," says the former; the latter would like to see "more men, both on and off line, who can correctly interpret rules and quote rates."

'Make a book'

Better education of salesmen with regard to piggyback rules, and on use and availability of specialized equipment, is suggested by E. H. Endroll, TM, Hollywood Candy Division of Hollywood Brands, Inc., Centralia, Ill.

● **Know the customer.** Lack of knowledge of a specific customer (or of business in general) is a frequently repeated complaint in the Poll comments.

"Men who sell freight service," says L. D. Olsen, GTM, Kaiser Gypsum Co., Oakland, Cal., "should know where their customers have plants, what products are manufactured, and have some idea as to the general area and methods of distribution. Just as a pro golfer makes a 'book' on a golf course, a freight salesman should make a 'book' on his customers' operations."

His views are well supported by his shipper colleagues. "Sales representatives should know their customers' special needs for shipping their products, and should intimately know locations and what is being shipped," says J. Robert Morton, director of corporate transportation, Combustion Engineering, Inc., Windsor, Conn. "Secondly," he adds, "they should know their service and their equipment."

The freight salesman "should know enough about his regular shipper's needs to be able to suggest use of new services his line is offering," agrees B. P. Bergen, assistant GTM, American Sugar Co., New York. And M. P. Dion, TM, Standard Household Products, Holyoke, Mass., suggests that salesmen should "learn more about the company being called on, and its products. Too much emphasis is put, by some carriers, on making a stated number of calls, rather than on quality selling."

J. B. Hedges, TM, Manufacturers Association of Connecticut, West Hartford, concurs with Dion. "Perhaps," Hedges writes, "management pressure on quantity of calls and multiplicity of contacts prevents many men from doing a really high-quality job."

He also points out, however, that "carrier salesmen are often ignorant of impending rate changes and even extensions of service provided by their own lines. Many seem to not want to take the trouble to learn exactly what their customers make and what markets the products move into.

"There is great need for transportation education in the entire selling field. Too many salesmen of all media and at all levels are not only ignorant, but what is worse, indifferent, to the legal background of the regulatory system, trends in transportation regulation, and the basic regulatory reasons for the way their companies must perform."

Broader knowledge extending to the general business field is advocated by Olsen, and also by J. J. D'Arcy, GTM, Congoleum Nairn, Inc., Kearny, N.J. Olsen thinks salesmen should have "a better understanding of the total business picture, so as to relate transportation to the over-all distribution function." D'Arcy believes "the average freight salesman should learn about general business practice. Too many depend on a 'smattering' to help them decide what course to take in dealing with a shipper." Most salesmen D'Arcy adds, "seem to be baffled by the degree of urgency under which most industries operate."

● **Keep same men.** F. H. Watson, Jr., TM, rates, Sterling Drug, Inc., New York, thinks railroads might introduce a system similar to that followed by motor carriers.

"They have national accounts men who stay with the account, no matter what. We moved across town (four blocks), and while we retained our motor carrier friends we lost many of our railroad people. Our new railroad solicitors hardly paid attention to us, and when they did had to learn all about us.

"You don't have to move to run into this problem. Railroads are constantly dissecting their territories and assign new men.

"Also, they should not send out former passenger men to solicit freight, or old timers to ask for piggyback business. They just do not have the interest." ■

ABBOTT TRAFFIC MANAGER Elmer Bubb (middle), and Neil Petersen, assistant to traffic manager (left), are shown the load dividers in ABTX insulated, plug-door cars by a North American Car representative.

Railroads save money for a chemical shipper

Savings in total distribution costs are being achieved in four ways by Abbott Laboratories' leased cars. Freight savings, less demurrage, loading-unloading costs plus L&D savings add up to $116,000 annually.

Unit trains and other bulk-commodity services are no longer making all of the rail industry's news. Spectacular achievements are being generated at the opposite end of the commodity spectrum.

For instance, drugs, traveling by rail out of a North Chicago, Ill., pharmaceutical company, represent both new tonnage being handled by rail and annual savings of more than $116,000 in total distribution costs to the shipper.

It is a prime example of the way distribution executives are reacting analytically and quickly to the widening gap between rail and highway charges. Change is also stemming from the narrowing gap between rail and truck service and convenience. Tonnage coming back to the rails from producers of high-tariff commodities may, in fact, be the harbinger of more significant news than the bulk commodities that have figured so largely in the industry's recent equipment-price-service strategy.

Abbott Laboratories is the company at North Chicago. Its recent distribution moves offer an unusually clear-cut example of how economic and service pressures interacted to produce a transportation decision favorable to railroads. And this is an industry ordinarily thought to be "rail-safe" by truckers.

Search for alternatives

The leading drug manufacturer began a searching examination of distribution costs and service in early 1965. Abbott Traffic Manager Elmer R. Bubb recalls: "We faced escalating distribution costs. We wanted to know what—if any—alternatives were open to us.

"Motivation for this research was primarily mounting distribution costs in that segment incurred from the transporting of finished goods from Abbott's North Chicago plant to our 21 domestic branch distribution centers and a public warehouse facility in Portland, Ore."

● **Zeroing in on change.** Conscious of the trends in both service and costs of railroads compared to highway modes, Abbott's distribution experts began with the premise that the firm's greatest immediate savings potential lay within the possibilities inherent with a switch to rail transport of their products.

Neil J. Petersen, assistant to Traffic Manager Bubb, says research was narrowed to 14 of Abbott's branches—those capable of receiving rail service. "Because of technical problems at a few branches or because of compatible motor carrier rates at the time, we further reduced the scope of our study to 10 branches. It was these 10 branches that were considered thoroughly in our original analysis and, ultimately, figured in Mr. Bubb's proposal to Abbott's top management." Bubb proposed a lease of cars and a rearrangement of traffic. Abbott's Tilden Batchelder, vice president-operations services, gave the green light.

● **Abbott goes ABTX.** The pharmaceutical house initiated a specialized lease of 34 cars from North American Car. The cars, equipped with insulation, 10-foot plug doors, cubic footage in excess of 4,100 feet, load dividers, sidewall fillers, cushioned underframes and some special touches in decor suggested by North American's designers, are the

essence of why ABTX cars are carrying Abbott products on the rail network.

Bubb notes that savings to Abbott will come from four major areas: freight charges, demurrage, loading/unloading labor costs and "an amazing reduction in loss and damage freight claims," will add up to substantial savings for his firm. "Since the new cars are capable of handling 70,000 to 80,000 pounds of our merchandise against the 40,000 to 45,000 pounds that can be carried in standard reefers, our proposal included a suggestion that we divert up to 50% of truck and truck-rail tonnage to rail when shipping to those branches. Using actual tonnage figures for those branches for the first half of 1965, our cost analysis showed the following savings to Abbott for a one-year period using the cars we proposed to lease: We expected savings of $110,117 in freight charges; savings of $2,000 in demurrage; savings of $28,480 in loading and unloading costs, indicating a total savings—above and beyond the cost to Abbott of leasing the cars —of $116,850."

Neil Petersen explains the savings in detail:

"The savings in freight charges result simply from our ability to utilize 75,000- and 80,000-pound rates as opposed to 36,000- and 40,000-pound rates previously.

"Since commodities such as 'drugs' currently offer a high minimum of 50,000 pounds, we anticipate a great deal of contact with carriers and bureaus in the near future.

"Any expense for demurrage previously incurred while cars were on our tracks is eliminated in the case of these cars since there is no demurrage on private cars on private sidings.

"Because of the door size on standard reefer equipment, we have never been able to ship palletized loads. The cars we leased, because of the 10-foot plug doors, facilitate palletization. Time studies show we get savings in loading at North Chicago and unloading time at branches of approximately 15 man-hours. Our branches report they handle twice the tonnage in half the time."

"Another definite cost saving is the amazing reduction in damage and freight claims. Contact with other shippers using similar cars — and actual experience ourselves with two experimental cars of this type—indicates little or no loss and damage. We were so sure of this, in our proposal we stated a reasonable expectation for 'reduction of 95% of freight damage claims.'"

● **Decision to lease.** Abbott's distribution department was strongly questioned by the firm's accountants over the decision to lease rather than buy equipment to service the changes in transportation mix they planned to install for part of the company's distribution requirements. Recalls Bubb, three answers ultimately resulted in the lease rather than purchase decision. "Are we in a position to pay approximately three quarters of a million dollars at this time for railroad equipment? Are we in a position to assume all maintenance costs and efforts? Will the cars be obsolete before we are ready to consider another purchase?"

Abbott's distribution men wound up their research last fall—and placed an order with North American for 34 cars to be delivered early in February. Since then, Abbott's new distribution mix has functioned smoothly. Careful records are kept of the operation's viability in individual car "biographies." Results are strongly reinforcing the expectations of the company's traffic men. If anything, notes Bubb, the first months of operation with the cars indicates savings may have been underestimated in the proposals he advanced to his management last year. "We are watching utilization carefully. We are as interested in empty-time moves as in loaded moves. We'll watch and favor the routes that give us speedy returns on our equipment."

● **More action ahead.** Best proof of how successful the venture promises to be is the fact that Abbot's distribution experts are now busy analyzing other areas of the company's transportation needs where similar action can produce savings. Abbott is also looking at the possibility of back-hauls of raw materials in its equipment. Bubb says, in fact, that growing traffic will make Abbott's 34 leased cars "quite inadequate."

● **Spur lack is handicap.** The Abbott experience may be indicating something to traffic managers and distribution executives about plants and facilities with no rail service. For years there have been many plants located in areas served only by highway.

SUBSTANTIAL SAVINGS are produced for Abbott Laboratories' by the special cars leased from the North American Car Corp.

More spurs coming

Now, such plants and distribution centers are finding they have a competitive handicap. They are unable to utilize the efficiencies resulting from accelerating technological and scientific change on railroads. Says Bubb, "Our present experience would make us hesitate to locate a plant cut off from savings possible from rail service betterments. We are examining the rest of our branch distribution centers with a view to cashing in on similar service. We still have nine branches which have no rail sidings. If our moves prove out, we may find siding investment in those plants worthwhile."

● **What's ahead?** Abbott's evolving response to rising distribution costs is of general significance to railroad competitive moves. The pharmaceutical firm annually ships more than 50,000 tons of high-tariff freight—some 300 different kinds of solutions, drugs and other proprietary products such as Sucaryl and Pream. Its 1965 traffic mix was about 55% truck, 35% rail and 10% truck-rail (TOFC), and the firm spent $1.13 million.

Now the mix has begun to change as the ABTX cars roll toward lower total distribution expense for Abbott. The firm has a two-year study under way of its entire distribution requirement—and what systems can maximize service and minimize costs. The study, like similar studies being made by other distribution executives, will have significance not only for the future use of such cars as Abbott is using to distribute its goods, but for the entire rail industry. A resurgence of traffic in the commodity spectrum represented by Abbott could have a spectacular, revitalizing effect on the industry unmatched even by the fast-growing bulk commodity business. ■

E-L dials successful sales

Use of the telephone to qualify customers gives the road's sales representatives more time to deal with solid prospects. The program covers 47 E-L sales agencies in the U.S. and Canada.

The average salesman spends a lot of his time trying to sell ice boxes to Eskimos. Not literally, of course. But much of the time he is trying to sell something that his prospective customer cannot use at all.

This is a reality the sales department at the Erie Lackawanna knew it had to face in its drive to capture a greater share of the nation's growing freight market. It knew there were a great many companies that could profit from the service advantages E-L can offer them in the way of scheduling, connections, special equipment and storage-in-transit privileges. Yet, to find and sell these potential shippers, E-L field sales representatives had to visit

How the telephone helps E-L sales: A case history

Harold Klinker joined the former Erie Railroad back in 1948 and is now a field sales representative with the Erie Lackawanna. His territory covers the heavily populated suburban area around Chicago. Until recently he rarely used the telephone for new business development. But since the railroad began its new approach to sales, he has been using the phone to qualify potential customers and to reactivate old accounts in addition to answering routine customer service calls and inquiries. Here are some of his comments on the new program:

● **Better coverage.** "Before I started using the telephone as a regular sales tool, it was impossible to cover my territory as completely as I wished. I might, for example, make calls in the Rockford area and then, when I got back to the office, find messages from other agencies advising me of future freight movements in that area. Tips of this sort are important. It might be several weeks before I could get back to Rockford for a face-to-face visit. Now I telephone immediately. I like to follow up my phone calls promptly with a visit before the customer forgets.

"In the past I rarely made appointments with a shipper unless there was something unusually important to discuss. Sometimes I'd miss the same man two or three times in a row. It could be very disappointing.

"Now I make appointments most of the time, and it's fantastic the amount of time that is saved in this way. The other day I made an appointment to see a customer who is on the road 85% of the time. We got together at 9:30 in the morning and had an hour-and-a-half discussion. If I hadn't made the appointment, the chances are I wouldn't have found him in.

"Under the old system I would try to visit new firms whenever time permitted. But often the man I wanted to see was out or busy.

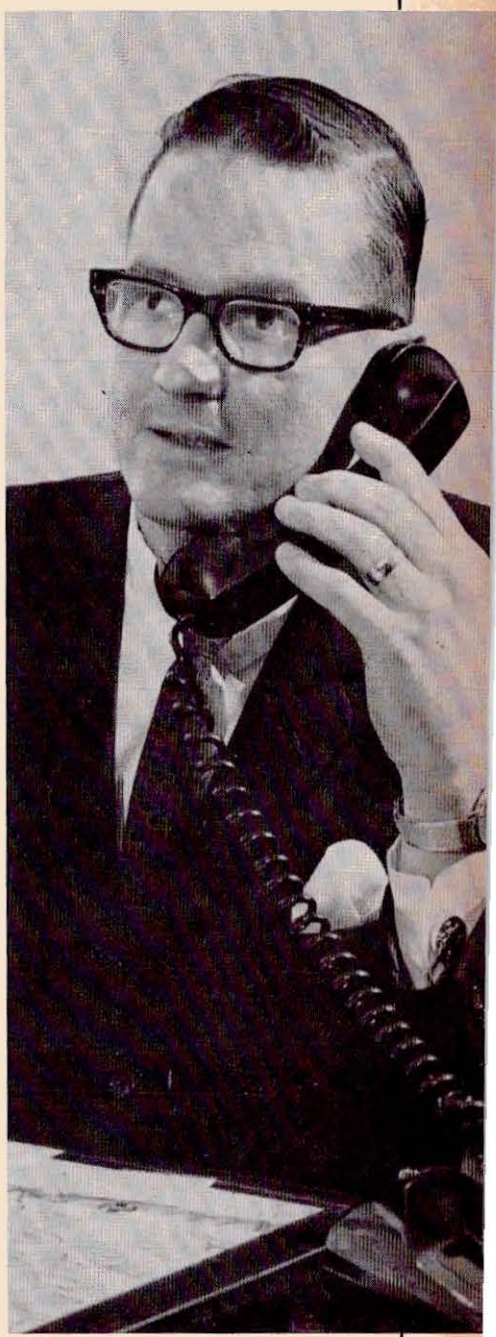
● **More time for new business.** "By qualifying suspects by phone I find that I now have much more time for seeking new business. If a firm has anything the Erie Lackawanna might handle, I try to set up an appointment. Occasionally I have sold movements of one or two cars over the phone, but this is unusual. In any case, I always try to make some face-to-face visits with all my customers, if only to thank them for their business.

"In the past I'd see about seven completely new prospects a month in addition to my regular customer calls, and make about two or three sales. Now I contact from 20 to 25 new prospects each month and generally pick up more new accounts.

"I also use the phone to contact my inactive accounts at least twice a year. Sometimes the picture can change very suddenly. Perhaps the company that took the business away from you isn't performing as well as it promised. But, just because you had the business before, doesn't mean they'll automatically give it back to you. You have to go get it.

● **High success ratio.** "It's surprising how cooperative people are when you call them on the phone. In six months I haven't run into more than three people who wouldn't take the time to talk with me.

"Telephone selling has increased my over-all sales efficiency by eliminating many dry-run visits and by giving me more time to devote to my regular customers and to make additional calls on good prospects."



HAROLD KLINKER

'This new telephone approach to sales results in close attention to the needs of shippers'

many companies with no potential business at all.

Still, all these firms had to be checked out. It was the only way to separate "prospects" from "suspects." The answer was not to reduce the canvassing effort, but to find a way to make it more effective.

● **New approach.** "Our solution was to initiate a new approach to sales," reports Marketing Representative Dan Hoffman, who is in charge of implementing the new program. "Now instead of visiting every firm in person, each salesman qualifies his market first by telephone and then visits only those firms with potential traffic that can be routed over the Erie Lackawanna.

"This is a radical departure from our traditional sales approach. As is the case with virtually every other railroad, our field sales representatives used to avoid using the phone to expand sales contacts. In most cases they did not even make appointments ahead of time, but just dropped in on prospects and hoped to get to see them. Often, the man they wanted to see was unavailable or had no business for them.

"By using the telephone to qualify customers our field sales representatives now are able to eliminate about three-fourths of their new contacts as firms with no potential traffic. In this way, they avoid many dry-run visits and have more time to devote to face-to-face contacts with solid prospects. This results in close attention to shipper needs and, of course, in increased sales."

MORE NEW BUSINESS is the net result of the telephone marketing program, says E-L's Dan Hoffman (left).

● **Calls pay off.** During the program's test period, the E-L sales staff contacted 4,548 "suspects" by telephone, and of this number qualified 3,999 (88%); that is, they learned whether or not the companies had any traffic potential for the railroad. Of the 3,999 firms, 1,016 (23%) were pinpointed as actual prospects and personal visits were made.

In addition to developing these new prospects, the salesmen also made telephone contacts with 536 firms with known traffic and 839 inactive customers. To reduce still further the time and expense of unnecessary face-to-face calls, 1,763 customers were called by phone in answer to routine inquiries about such matters as rates, schedules, equipment, leasing of space, sidetrack information and track locations. Many such inquiries would have been handled through personal visits.

All told, 7,687 telephone calls were made during the evaluation period. Of this number, the telephone provided the means to eliminate 6,836 face-to-face visits. Telephone costs averaged less than 14 cents per call.

"By eliminating unnecessary personal visits," says Hoffman, "we are now saving both traveling and waiting time, as well as the expense of travel. Our salesmen are investing this recaptured time in servicing old customers and in making personal calls on the new prospects developed through telephone contacts.

"Previously it often happened that a salesman would get a tip on some potential business but would not have the time to follow it up with a face-to-face visit until several weeks later. By then, as likely as not, the business was lost.

"Now we follow up every tip right away with a phone call. Just recently, for example, our Philadelphia agency informed the sales staff in Toledo of some potential traffic. Toledo made a long-distance call and secured five carloads over the phone."

● **Training.** Erie Lackawanna's new sales approach grew out of a series of recommendations made to the railroad by a Bell System communications consultant. These recommendations were first tested in the New York City area, where the E-L sales staff was trained in the techniques of telephone selling.

After indoctrination in telephone marketing, the men made simulated calls to polish their techniques and then made "live" sales calls in the presence of the rest of the class. The class discussed each call, making suggestions which paid off later in more effective calls.

"At first many of our men were skeptical," reports Hoffman. "They didn't think 'suspect' and 'prospect' firms would talk business with them over the phone. But the training changed their outlook. They discovered that 'suspect' firms were more than happy to volunteer information about their traffic situation. What really generated enthusiasm was the fact that several of the 'live' calls made during classroom sessions actually resulted in sales right over the phone."

After telephone marketing had proved itself effective in several trial areas, the program was expanded to cover 47 E-L sales agencies throughout the United States and Canada. All told, 161 men received the training, including top level sales supervision. At the same time plans were made to give the telephone a prominent place in the railroad's basic sales training program.

● **Continuing program.** "For us this is not a crash program but a continuing one," says Hoffman. "For this reason we have given our sales managers the responsibility for making sure it is followed properly.

"The total success of the program is hard to estimate. We cannot show everything in the records. But the very fact that our men are combing the market and talking to more new firms and qualifying more prospects means that they're getting more new traffic.

"Now we are getting an increasing share of the available market. The basic reason for this upswing, of course, is that basically we are offering a modern, dependable and economical freight service to our customers. We have a first-class product that our salesmen can sell aggressively and enthusiastically. Use of the telephone as a time saving sales tool has taken a significant place in our progressive approach to railroad selling." ■

Railroad purchases up 2% over 1964

Last year's $1.49-billion outlay was fourth straight annual rise.

Railroad purchases of fuel and operating materials and supplies totaled $1,498,059,000 in 1965. That was the largest outlay since 1957 and the fourth consecutive annual increase, according to the Association of American Railroads (RA, p. 11, April 18).

The expenditures were 2% higher than the 1964 outlay of $1,475,599,000. The 1965 total, which reflects the continuing increase in rail traffic, was one-third below the $2,183,331,000 high established in 1948.

● **Rolling stock.** Not included in the 1965 purchase figure was the record spending of $1,633,494,158 for new rolling stock and capital improvements, which was up 15.3% over the 1964 figure. Capital outlays included some $1,300,000,000 for 1,440 locomotives and 68,000 freight cars, plus $327,000,000 for such betterments as push-button freight classification yards, new signaling and communications systems and special track maintenance machines.

Purchases of rolling stock by firms allied to the railroad industry totaled $300,000,000. This brought railroading's over-all contribution to general industry business volume to more than $3,400,000,000 in 1965.

● **Fuel up $9.5 million.** The largest 1965 increase, in major purchasing categories of ordinary supplies, was the $374,288,000 spent for fuel, an increase of $9,507,000 over the 1964 figure. For such iron and steel products as rail, locomotives and car parts and all kinds of machinery, railroads spent $446,925,000, an increase of $9,466,000 above the preceding year.

The largest percentage increase was in outlays for forest products—ties, bridge and building lumber and similar items. The increase, to $103,655,000, was 6.6%. Spending for miscellaneous supplies, such as building materials, ballast, office and train supplies and communications and signal material dropped 0.5%, to $573,191,000. ■

How Railroads Spent $1.49 Billion

Purchases of Fuel, Material and Supplies
Railroads of Class I—Calendar Years 1965 and 1964

	Item	1965	1964*
FUEL			
1.	Fuel oil—Diesel	$ 341,123,000	$ 330,182,000
2.	Fuel oil—Residual	10,176,000	11,020,000
3.	Coal (anthracite and bituminous)	8,960,000	9,193,000
4.	Gasoline	10,491,000	12,041,000
5.	All other (coke, wood, etc.)	3,538,000	2,345,000
6.	Total fuel	374,288,000	364,781,000
FOREST PRODUCTS			
7.	Cross ties	$ 55,191,000	$ 47,285,000
8.	Switch ties	6,323,000	5,520,000
9.	Lumber (bridge and building, piling, posts, bridge ties)	14,952,000	16,062,000
10.	Lumber, equipment (including manufactured articles)	21,819,000	22,801,000
11.	All other forest products	5,370,000	5,545,000
12.	Total forest products	103,655,000	97,213,000
IRON AND STEEL PRODUCTS			
13.	Rail (new and secondhand, except scrap)	$ 57,011,000	$ 48,662,000
14.	Axles, tires and wheels for cars and locomotives	60,014,000	57,917,000
15.	Track and switch material	70,716,000	67,795,000
16.	Steel bridges, turntables, sheet piling	2,815,000	2,827,000
17.	Iron & steel (bars, shapes, sheet, flues & chain & wire netting)	25,312,000	30,622,000
18.	Locomotive forgings & castings (gray iron, malleable or steel, & trucks)	6,790,000	6,498,000
19.	Car forgings & castings (gray iron, malleable or steel, brake beams, couplers, draft gears, metal car roofs, auto loaders & trucks)	142,312,000	140,028,000
20.	Bolts, nuts, washers, rivets, lag screws, pins and studs	6,685,000	7,978,000
21.	Springs, elliptical and helical, for cars and locomotives	5,603,000	6,333,000
22.	Tools, track & roadway, all kinds, & parts (except automotive equipment, aircraft & parts)	12,682,000	11,161,000
23.	Machinery and parts	22,519,000	22,214,000
24.	Pipe, iron and steel, pipe fittings, and plumbing fixtures	6,069,000	6,914,000
25.	Hardware, hand and small machine tools	22,237,000	22,545,000
26.	All other iron and steel products (including cast iron water pipe and culvert pipe)	6,160,000	5,965,000
27.	Total iron and steel products	446,925,000	437,459,000
MISCELLANEOUS			
28.	Building materials (brick, cement, gravel, lime, sand, stone, roofing, siding and fencing)	$ 8,494,000	$ 7,172,000
29.	Illuminating oils, lubricating oils and greases, journal lubricating pads, wiping rags and waste	47,810,000	47,236,000
30.	Non-ferrous metal and products	24,461,000	25,129,000
31.	Ballast and riprap	21,677,000	17,425,000
32.	Electrical materials (incl. electrical material for diesel locomotives)	60,788,000	56,894,000
33.	Stationery, printing and office supplies	33,091,000	30,663,000
34.	Commissary equipment and supplies	15,667,000	16,623,000
35.	Rubber and leather goods	7,057,000	7,424,000
36.	Chemicals, compounds, drugs, glass, laboratory equipment, lacquers, painters' supplies, paints, varnishes	39,788,000	43,206,000
37.	Passenger car trimmings	15,080,000	15,348,000
38.	Locomotive, train and station supplies	26,177,000	26,606,000
39.	Communication and signal material	53,281,000	48,361,000
40.	Air brake material	21,968,000	22,155,000
41.	Appliances for locomotives	5,434,000	5,425,000
42.	Automotive equipment and aircraft, and parts	13,398,000	14,014,000
43.	Diesel material not elsewhere classified	98,299,000	95,057,000
44.	All other miscellaneous	80,721,000	97,408,000
45.	Total miscellaneous	573,191,000	576,146,000
46.	Grand total	$1,498,059,000	$1,475,599,000

*—Amounts shown for 1964 include $7,935,000 spent by 16 railroads not reporting as Class I in 1965 owing to reclassification by the Interstate Commerce Commission.
Source: Report of the carriers to the Bureau of Railway Economics.

NEW YORK'S FLOUR BIN: A boon to the bread and bagel business.

New facility speeds deliveries of flour

The modernized Brooklyn Eastern District Terminal flour distribution center is said to be largest in the United States.

A veritable mountain of breads and pastries is required to feed the inhabitants of the New York City area. That mountain, its principal ingredient being flour, is rail-delivered to bakeries almost under the shadows of the Manhattan skyline.

The Brooklyn Eastern District Terminal Railroad is a vital element in that delivery system. It makes deliveries from a modern facility in its Brooklyn public delivery yard. The facility is believed to be the largest flour distribution center in the United States.

● **Pneumatic power.** The facility makes full use of the principle of pneumatic power. Bulk handling of flour made its debut along the Brooklyn waterfront, a section served by the BEDT, two years ago. It has been such a rising success that the capacity of the plant has just been doubled.

Before installation of this facility, flour was either handled in bags, always subject to tearing, or dropped by gravity from a covered hopper spotted on a trestle into waiting trucks. These methods left something to be desired. It meant handling the flour with some exposure, no matter how slight, to the elements, thus permitting the possibility of contamination.

Major bakeries of the area, located off track, had to handle their flour in one of the two ways outlined. The Millers Bulk Flour Association, recognizing the difficulties under which the bakeries were operating, moved to do something about it. It started making plans on the premise that elimination of exposure to contaminating factors would be one of the prime elements in design of a distribution system, as well as lowering handling costs. Then, too, by remaining with rail freight, milling-in-transit privileges would still be applicable.

When the association approached BEDT's president and general manager, M. M. McClelland, and N. G. Cutter, vice president in charge of traffic and operations, it struck pay dough. BEDT was interested and indicated so by joining the project.

BEDT is a water-front rail operation paralleling Brooklyn's Kent Avenue opposite Manhattan's 14th Street. The short line's water mileage exceeds its rail mileage. By water, it covers 26 miles; by land, 10.38 miles. It does not have track connections with any railroad in Brooklyn. BEDT depends on a fleet of two tugs and 10 car floats for interchange by water. Four diesel switchers power its land operation. Interchange is maintained with all railroads terminating on the Jersey side of the Hudson River, as well as lines entering Manhattan and the Bronx.

● **Volume guarantee.** Under an agreement between the BEDT and the MBFA the railroad was to build the facility and MBFA would guarantee a sufficient volume of traffic to return BEDT's investment within a specific time limit. Failing to make the guaranteed amount of traffic would obligate MBFA to pay off the outstanding construction costs. The boom in bread and bagels has taken care of that problem.

The original plant was opened for service on March 23, 1964. It was able to unload two rail cars simultaneously into eight bins of 110,000-lb capacity each. On the truck side, three bins of 55,000-lb-capacity each, were provided. Truck bins were arranged for simultaneous loading.

Since opening the plant, business has increased, and additions have been completed to double the flour volume. This means that four cars will be unloaded simultaneously into eight bins on the rail side. Three additional bins have been provided on the truck side. All can be used simultaneously and all are equipped with scales.

When unloading is started, two air lines are attached to each of the Airslide hopper cars used. One line feeds air to the flour to aerate it, overcoming the packing and bridging which occurs through settling during transit. The second air line carries the principal force used to airlift the flour through sanitary flexible hoses.

● **Focal point.** The hoses from all the cars converge on a central switching station. This is the focal point of the operation because from here flour from any car or bin on the rail side can be switched to any bin on the truck side simply by hand-coupling two hoses. Only one attendant is needed to direct the operation from the central control and indication panel. This man also makes the necessary couplings of the hoses.

The control panel shows instantly what cars are being unloaded, what bins are being filled or have been filled. Similar information is recorded for the bins and loading operations on the truck side.

After the hoses have been coupled the airlift is started. As the flour flows from the cars it passes through a sifter and then an Entoleter. The sifter removes any foreign objects or matter which might have gotten into the flour. The Entoleter, employing centrifugal principles, destroys any larva or contamination that might be in the flour and renders it insect sterile. All bins in the facility are constructed of steel with epoxy lining.

The flour is then directed to any one of the six 55,000-lb scale-equipped bins straddling the six truck-loading bays. The bakeries pay only for weight as registered by the scales. BEDT charges include 1¢ per pound for unloading and 2¢ per pound for sifting and Entoleting. Passing from the scale-equipped bin to a tank truck, again in flexible couplings, the flour is ready for mixing at the bakery.

● **Unloading time.** Average unloading time for a 50-ton covered hopper is two hours. A truck is loaded with 25 tons of flour in seven minutes. Provision is also made to unload from a truck into a covered hopper should be a baker find flour not to his specifications

(Continued on page 41)

SOO LINE

LEONARD H. MURRAY, PRESIDENT
Soo Line Railroad Company

"We tear Railway Age apart on the Soo. Literally, I mean—I frequently clip a particularly interesting or provocative item and give it to one of our officers. Usually I find that he's already studied his own copy. But this just goes to demonstrate how we use Railway Age as a springboard for discussion and information. Not just at the executive level—our division officers have their copies, too. And they read them and make effective use of the material."

Leonard H. Murray

TIMKEN
TAPERED ROLLER
BEARINGS
TIMKEN
TAPERED ROLLER
TIMKEN

Why should you celebrate our 2 MILLIONTH "AP" bearing?

★ Timken® "AP" bearings have reduced the hot box problem. Delays due to overheating are fewer. Shipping is more reliable. Cars are more productive.

★ Operating costs are lower, because "AP" bearings go hundreds of thousands of miles without special maintenance. Lubrication is on a 3-year cycle, in accordance with AAR rules.

★ "AP" prices have been lowered often through manufacturing efficiencies. Current prices are lower than 1954 prices!

★ The first million Timken "AP" bearings were made in 9 years. The 2nd million were made in just 2½ years!

★ Over 227,000 Timken "AP" bearing-equipped cars are now in service or on order. On 169 railroads.

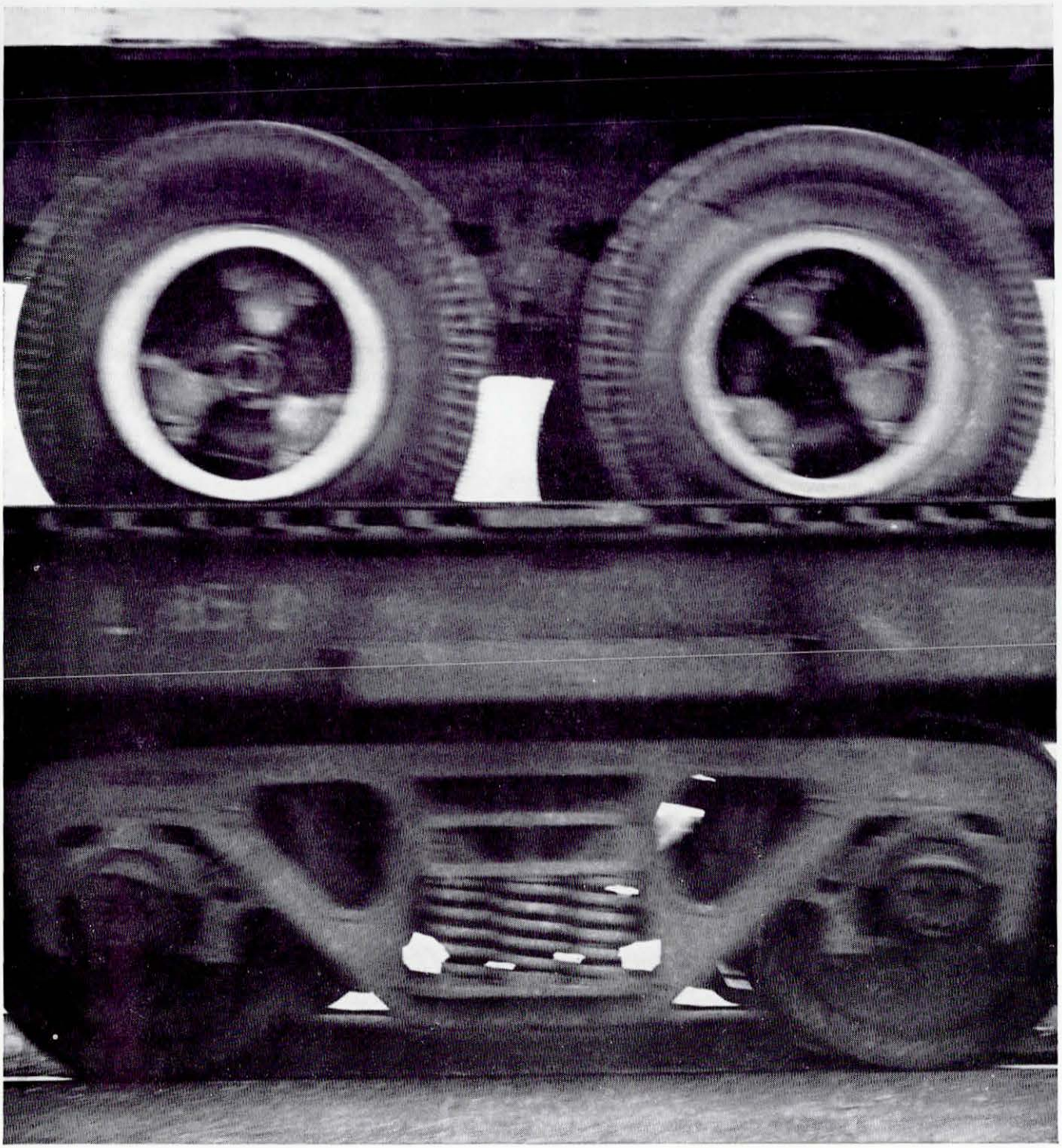
★ You're invited to join the party. RSVP your Timken bearing sales engineer. The Timken Roller Bearing Company, Canton, Ohio. Makers of Tapered Roller Bearings, Fine Alloy Steel and Removable Rock Bits.

WE'VE BEEN WORKING ON THE RAILROAD

Take, for example, our piggyback services. In 1960 piggybacking was hardly a factor on Coast Line. Today, it's one of our fastest growing services. For very good reasons. Coast Line was first in the Southeast to adapt the idea to the citrus and vegetable industry. First to run all-piggyback trains from Florida to the East and Midwest. Among the first to utilize multi-level rack cars to ship automobiles. And we're still looking for more ways to apply the service. Who says railroads aren't interested in pioneering new ideas? Not us. We've been working on our railroad.

ATLANTIC
COAST LINE
RAILROAD

"Thanks for Using Coast Line"



(Continued from page 36)
or in any way objectionable.

Cutter says that before making the bulk installation the line handled about 350 to 375 cars of bagged flour per year for one bakery. Last year it handled 1,700 covered hoppers through the new facility.

Original building and machinery costs were $350,000. With the additions just made, the value of the installation has moved toward the half-million dollar mark. The flour traffic has proved to be a hedge against the loss of traffic that BEDT faces through the scheduled closing of Brooklyn Navy Yard. BEDT provides service to the yard under contract with the government.

Other installations of varying sizes have been made under the auspices of MBFA. They are on the Reading at Norristown, Pa., Western Maryland at Baltimore, Chesapeake & Ohio at Ashland, Ky., Chicago, Burlington & Quincy at Chicago and Pennsylvania at Sunbury, Pa.

● **Bagged flour, too.** Even though the BEDT has gone in heavily for bulk handling of flour it hasn't forgotten the small or specialized bakers. These bakers are served through modern concrete warehouses. The average daily inventory is about 250,000 bags of 100 lb each. Here again the railroad unloads and, in this case, stacks the flour. It is up to the baker, however, to arrange for his own truck-loading and hauling.

Such an arrangement for handling bagged flour enables BEDT to use "take it or leave it" pallets when unloading box cars. By this method flour is stacked on a pallet having no cross members on its top side. The bags are stacked in a square lock design by two men in the car. The fork truck operator is then able to pick up the load with the bare forks and place it on a stack in the warehouse. The baker handles the flour by hand-piling and hand-trucking to his vehicle.

When BEDT turned the bagged unloading operation to fork trucks it was deluged with complaints from bakers that fumes from the gasoline-powered fork trucks were impregnating the flour. To solve that problem the fork trucks were converted to burn propane fuel and an after-burner was designed which eliminated any traces of odor that remained.

● **BEDT's other plans.** Asked what other bulk handling plans BEDT might have, Cutter indicated that the field of bulk plastics was being studied. He says, "Business concepts are constantly changing. BEDT, keeping abreast of constant change, innovation and technological progress, realizes that, to be truly effective, it must make its service an extension of the shipper's industry." ■

LUTHER MILLER

AS THE EDITOR SEES IT...

RAILROADS HOLD THE LINE—With all the inflation talk that's now going around, it seems a good time to recall that the railroads, in recent years, have been a powerful anti-inflationary force. As the AAR's Dan Loomis has pointed out, the 1¼ cents that the railroads now ring up for hauling an average ton of freight one mile is 14% less than the 1½ cents they received in 1958; in fact, it's just about what they received in 1948. Meanwhile, the Consumer Price Index has risen by 9% since 1958 and 30% since 1948.

We do a lot of talking to ourselves about this kind of thing—but we aren't the ones who need to be convinced. Wouldn't the anti-inflation theme make for some effective railroad advertising? The paid kind, we mean—placed in influential papers (such as the Washington Post) which are read by the opinion leaders whose actions can do so much to help our industry—or to hurt it.

New York Central's A. E. Perlman, one of railroading's most eloquent spokesmen, talks often about the "quiet revolution" that is changing the face of rail transportation.

Maybe the revolution has been too quiet.

THE IRONY OF IT—One anti-inflationary move under consideration in Washington is repeal of the 7% investment tax credit. There's a certain irony here, insofar as railroads are concerned. A major factor in the successful effort to hold the line on railroad freight charges has been the increased efficiency of operations brought about by a vast and costly modernization program—and this program, in turn, has been substantially aided by the investment tax credit that is now in jeopardy.

OCCUPATIONAL HAZARD—The typographical error is the stuff editors' nightmares are made of. For example, a London newspaper ran a classified ad the other day that came out this way: "Woman required to shame home with widower and three children."

Our own printer's sins in this respect are, I'm happy to say, less scarlet, but typos do creep in—and the one that crept onto page 20 of last week's issue was particularly unfortunate since it involved a transposition of figures. Let it here be recorded that the 32 suppliers polled in our R&D survey spent $23,927,500 on research and development in 1965—not $32,927,500. Our apologies to the suppliers who so generously cooperated in this survey; their excellent R&D record needed no beefing up by us.

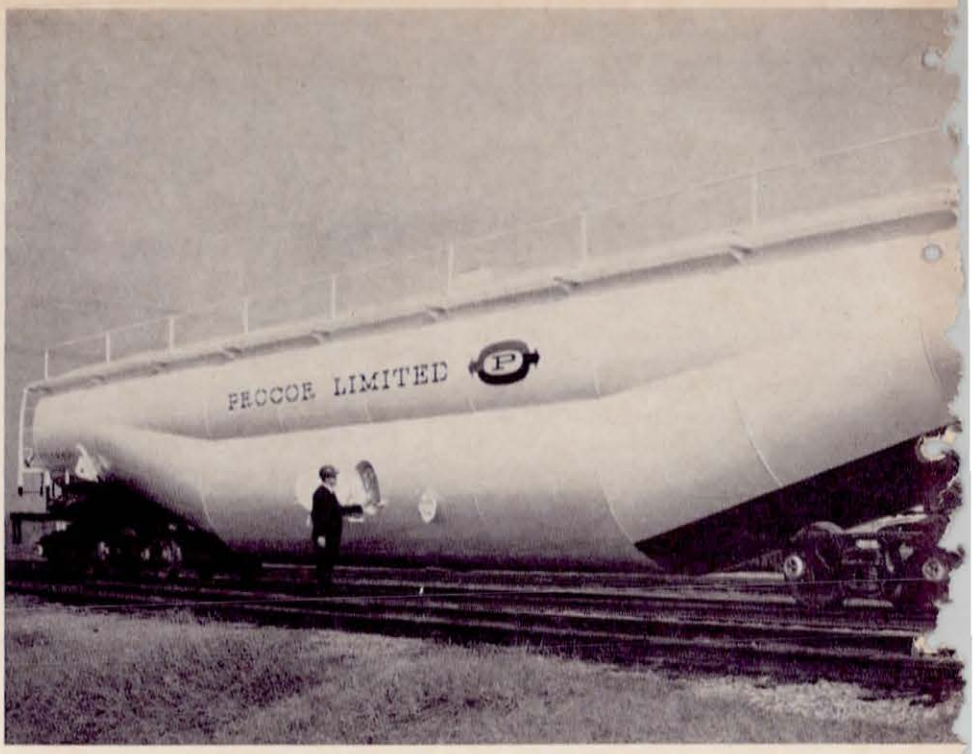
VIVE LA DIFFERENCE—A passenger climbs into his automobile, the automobile climbs onto a railroad car—and off they speed into the night, said passenger dozing comfortably and safely behind the wheel. That appears to be the essence of a proposal (reportedly near the testing stage) advanced by the Department of Commerce, and designed to further reduce congestion on the highways.

Professor Newton Morton of Kent State University (commenting on our own published item on this proposal, which appeared March 21) suggests that the idea is not really new—that it has been working in Europe for several years.

Actually, the proposal *is* pretty new, so far as we know. In Europe (Dag Sher of the French National Railroads reminds me) passengers often travel on the same train with their autos—but with the difference that the people ride in a sleeper or a *couchette* car while their machines go austerity class, in a rack car. The exception is in Switzerland, where passengers-in-autos sometimes take the easy way, by train, through Alpine tunnels.

As for the Commerce test, we will, as the papers say, watch that one with interest, and reserve judgment.

Toronto readies products exhibit



FILL 'ER UP: it would take 50,000 gallons to reach the capacity of Union Tank's new

A large number of North and South American railroad suppliers will participate in the four-day industrial show. Many companies will be featuring equipment never before shown in Canada.

Toronto is getting set for one of the biggest industrial shows ever to be held in Canada—and the showcase features a substantial amount of railway equipment.

For four days next week (May 2—5), the Transportation, Materials Handling, Mining & Metallurgy Show will occupy 11 acres of space at Toronto's Exhibition Park. Over 400 exhibitors are due to show equipment in the Industrial and Coliseum Buildings, on adjoining railway sidings, and in the huge outdoor demonstration area.

Exhibitors from North and South America were invited to participate, many of them to show products never before seen in Canada. In all, 25,000 professional visitors are expected. To smooth things out for Spanish-speaking visitors, translators will be on hand. Canadian chapters of the International Materials Management Society will hold their annual three-day conference at the show.

The railroads themselves—Canadian National and Canadian Pacific—are not showing equipment, but concentrating instead on showing transportation services. Their joint-venture CN-CP Telecommunications, for example, will be the subject of an exhibit showing how fast communications helps shippers.

In addition, the CN is building another exhibit around the theme of physical distribution, which CN sources call "one of the most talked about and least understood areas of business today."

The exhibit will have models and charts, illustrating every aspect of materials handling, packaging, plant location, transportation, storage, warehousing, order processing, inventory, and cost control.

New York Central President Alfred E. Perlman will be on hand to unveil NYC's own display—a working model of its Flexi-Flo system. A Plexiglass model 35-in long shows how dry bulk commodities are transferred to and from rail vehicles.

The Central is also displaying its Golden Freight Car award from the RPI for creative railroading.

• **Jumbo tankers.** A giant tank car, among the largest in the world, will be shown by Union Tank Car and its Canadian affiliate, Procor, Ltd. The car has a capacity of 50,000 gallons, and is supported by two standard 70-ton four-wheel trucks at each end. It's designed for transporting liquefied petroleum gas, anhydrous ammonia and certain other commodities.

UTC and Procor are also showing a 10,00-gallon-capacity sandwich tanker and a pressure flow tanker for transporting dry bulk materials.

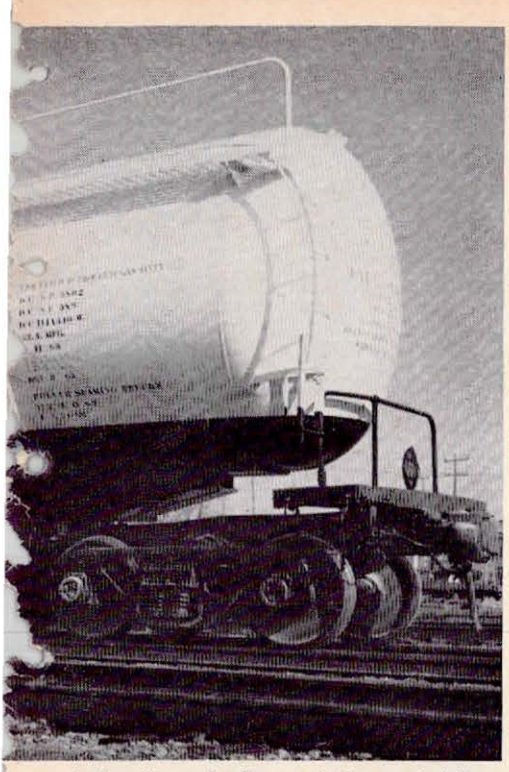
North American Car is showing four vehicles: its Pd 3900—a 3,900-cu-ft-capacity pressure differential covered hopper; the Naquamatic—a 3,500-cu-ft-capacity cylindrical standard covered hopper; the port-dump 3,500-cu-ft-capacity cylindrical hopper with special quick-dump gate; and a tank car under lease to a Canadian oil company.

• **New disc brake.** Buffalo Brake Beam is showing its new truck-mounted, air-operated disc brake. Shown for the first time, the entire braking system, including air cylinder, is mounted on the truck independent of the car.

BBB reports the braking system compensates to deliver a constant braking force as brake blocks wear; that the unit is designed for easy application in the standard unit side frame pocket; that benefits include extended wheel life, easy maintenance and car design freedom.

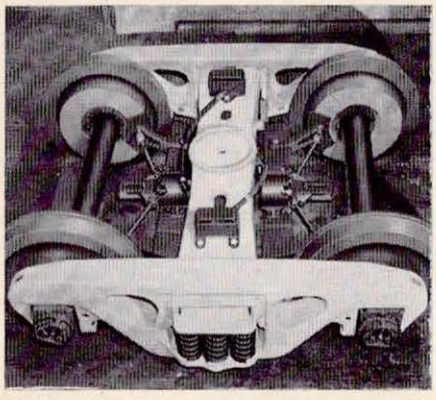
Keystone Railway Equipment will demonstrate Keystone shock control, which uses a double-acting hydraulic piston for cushioning freight-car underframes. Keystone is also showing the Portloc covered hopper car outlet. On display, too, will be the Monoloc triple hopper type of door frame and mechanism for use on open top cars, and the Novoloc double hopper door lock which will operate both hopper doors simultaneously from either side.

Looking for new inventions? Canadian Patents and Developments, Ltd., in association with the National Research Council, Ottawa, will show several, including a new type of journal



car, to be shown by Procor Ltd., a subsidiary.

NYC'S FLEXI-FLOW system (above) will be demonstrated with a scale model.



A NEW BRAKING SYSTEM, mounted in a truck, will be exhibited.

NORTH AMERICAN'S PD 3900, a 3,900-cubic-foot-capacity pressure differential covered hopper will be on display at the exhibition.

bearing for axles, which is said to reduce vehicle sway and wheel flange wear.

H. F. McDonald Equipment Co., Ltd. will exhibit pressure gauges and temperature controls for diesel locomotives, as well as epoxy insulation for traction motors and generators.

Heywood Wakefield of Canada Ltd. will demonstrate a complete line of seating for railways, subways, city and highway buses. The company recently installed aircraft type seats in parlor cars of the CN's new Radio train operating between Montreal and Toronto.

● **Containers.** New types of aluminum containers for use on both rails and roads will be demonstrated by Steadman Industries, Ltd. These insulated containers are already in service on both the CN and CP.

William C. Duncan Ltd. is Canadian licensee for a number of French railway suppliers, and will show Stedef's RF concrete railway ties and RN double-elastic fastening systems for use on timber ties. The same firm will demonstrate the Ramco flash butt rail welding plant. Also on display will be a new method for fixing track to a rigid concrete base in tunnels and subways—said to eliminate low and high frequency vibration.

A conversion unit that allows a vehicle to travel over rail or road will be shown by W. T. Cox.

Aeroquip will demonstrate cargo tie-down and load control equipment; New York Air Brake's BIF Division will show its Model 37-11 pneumatic belt feeder with recirculator; and Model 37-10 electronic belt feeder and Model 25-03 helix feeder.

Industrial Process Equipment Co. Ltd. has a car thawing system to show, for use in unloading bulk products in cold weather. Typical applications include wood chips, cement, coal and ore.

Nationwide Railroad Leasing will distribute information on the All Door Car, the box car with sliding horizontal doors permitting openings of 24-ft 10-in.

Prime Manufacturing Ltd. will demonstrate a number of railway products, including an electronic locomotive belt, gauge testing equipment and fittings, electronic sanding equipment, and welded pipe fittings.

Lyman Tube & Supply Ltd. will display products licensed from Ellcon-National, including freight car brakes, slack adjusters, passenger car brakes, locomotive brakes and train line gauges.

Suburban Metal Industries will be showing Load-Lok materials handling tie-down equipment, cargo control equipment and pallets. ■

Ship L&N....the difference is obvious!

Here's dramatic proof of L&N's equipment readiness. Shown is one of L&N's huge, modern, 100-ton coal hoppers as it almost *"swallows"* the conventional 50-ton hopper being lowered into it. These giant freight cars were designed to keep L&N ahead of the growing demand for high quality coal. There are now hundreds in unitized service on the L&N system. This and other new equipment reflect our determination to meet the needs of our shippers. L&N offers the youngest fleet of its size in the nation . . . *ready for tomorrow . . . today!*

L&N READY FOR TOMORROW

LOUISVILLE AND NASHVILLE RAILROAD

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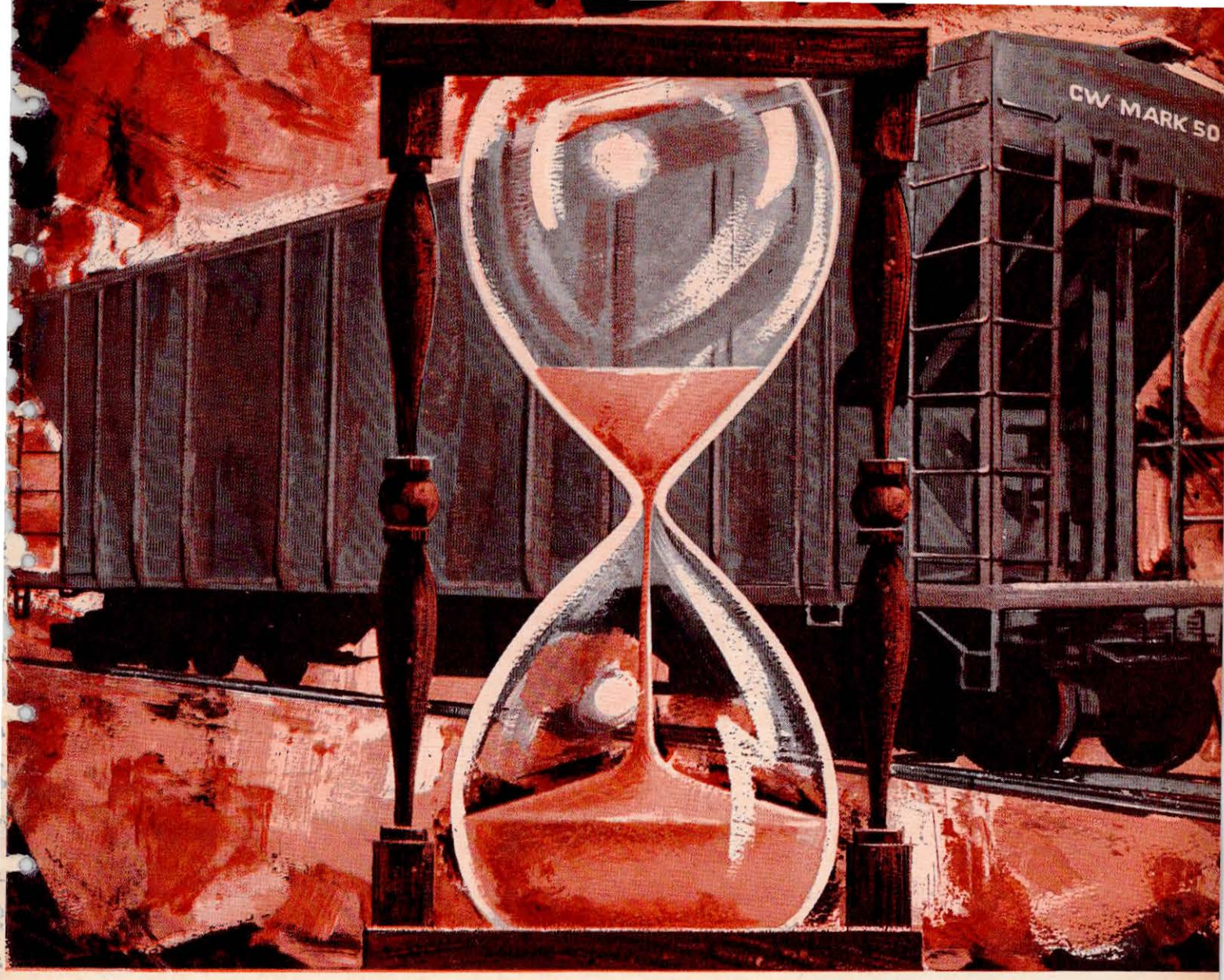

TIME-PROVEN CAR PROTECTION...

MARK 50

Over 114,000 Westinghouse Mark 50 Friction Draft Gears are in use on over 100 railroads and private car lines in the United States and Canada! Since the first order was received on January 20, 1961, the Mark 50 has proven its ability to minimize bad-ordered cars and maintenance costs.

The Mark 50 is Unconditionally Approved by the A.A.R., Certificate No. 41, Spec. M-901E!

Application can be made to 24⅝-inch pockets with standard 17¾-inch striker.

Specify the time-proven Mark 50 for your cars and save!

CARDWELL WESTINGHOUSE COMPANY

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INTERNATIONAL DIVISION SAME ADDRESS

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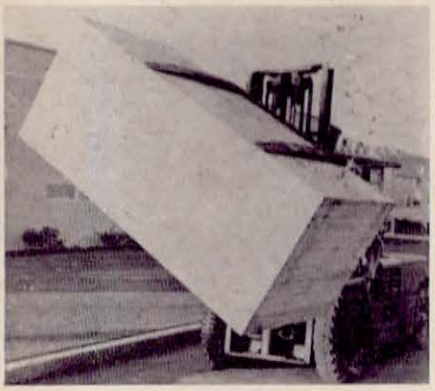
NEW **PRODUCTS** REPORT



Load-Inverter Clamp (RA-1)

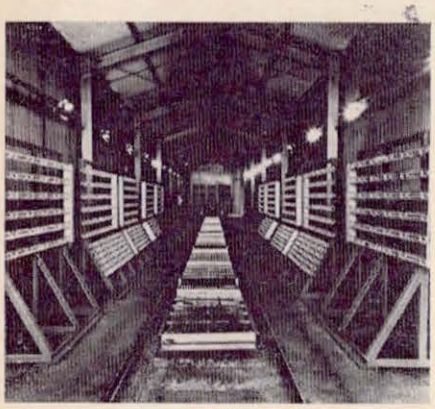
The Turn-A-Load clamp is a special-purpose, hydraulically actuated attachment for mounting on lift trucks. It consists of a hydraulic clamp with opposing sets of forks that clamp and rotate, enabling turn-over of load. It has application in handling and inverting stacked plywood for patching or sanding, and in the dumping of tote boxes or bins. Because product is firmly locked between upper and lower arms, load spillage is eliminated. *Cascade Corp.*

Vibration-Control Mounts (RA-2)

Series W1340 and W1341 Duro-Flex elastomeric vibration- and shock-control mounts have frequencies of about 20 to 30 cycles per sec in normal load range; maximum load ratings, from 45 to 145 lb per unit. Molecular structure of elastomeric resilient element in mounts is said to provide better damping properties than conventional compounds. Material can withstand extremes in atmospheric pressure and temperatures from −55 to + 250 deg F. *Robinson Tech. Products.*

Gantry Crane (RA-3)

A 50-ton gantry crane, designed especially for loading and unloading piggyback trailers, includes an all-hydraulic operating system and telescopic grappling arms. The latter work together to provide smooth and positive load handling. The diesel-powered crane operates on a 2-minute 15-second cycle. Loads can be rotated plus or minus 15 degrees, facilitating herringbone parking and out-of-sequence tractor pick up. *Southern Iron & Equipment Co.*



Car Thawer (RA-4)

Heavy-duty, radiant-electric infrared heating systems designed to withstand the physical and thermal abuse of coal and other bulk material unloading operations are available. The electric rail-car-thawer is made up of radiant-heater elements built on a simple angle-iron frame for track-side panels and into heavy-duty reflector panels for between-rail sections. The wiring is housed in weatherproof wireways of reflective aluminum. *Aitken Products, Inc.*

Plywood Floor (RA-5)

Two layers of plywood panels make up a structural floor system for box cars that "speeds installation time and reduces maintenance cost." Structural part of floor has full AAR approval, but system has only limited approval because the proposed plywood wearing surface has not been in service long enough for proper evaluation. Any wearing surface can be used over structural plywood. Plywood can be bolted to sills. *American Plywood Assn.*

RAILWAY AGE
WEEKLY

30 Church Street, N.Y., N.Y. 10007 READERS' SERVICE (Att. George Johnson)

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☐ **Please send information about subscribing to Railway Age**

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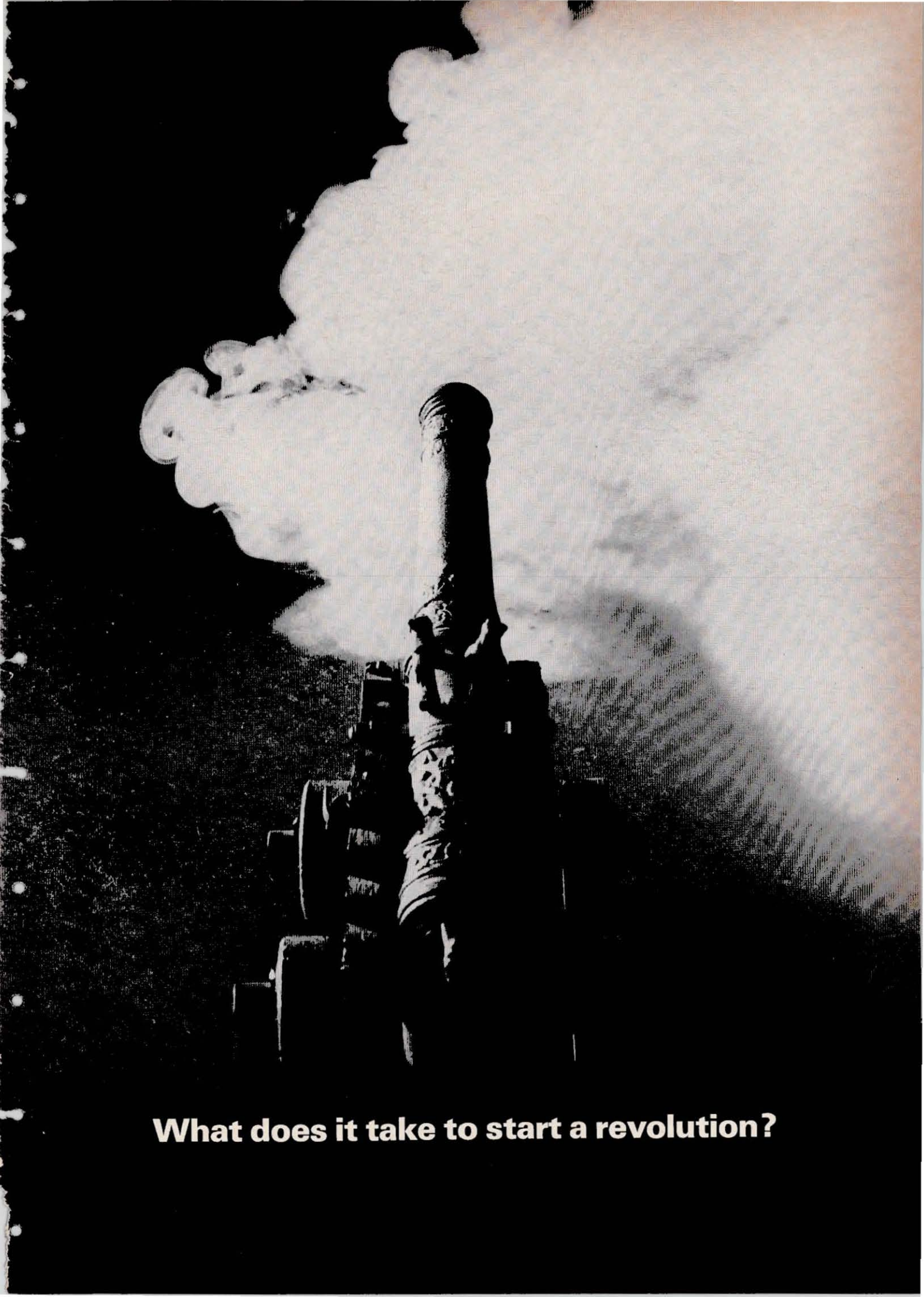
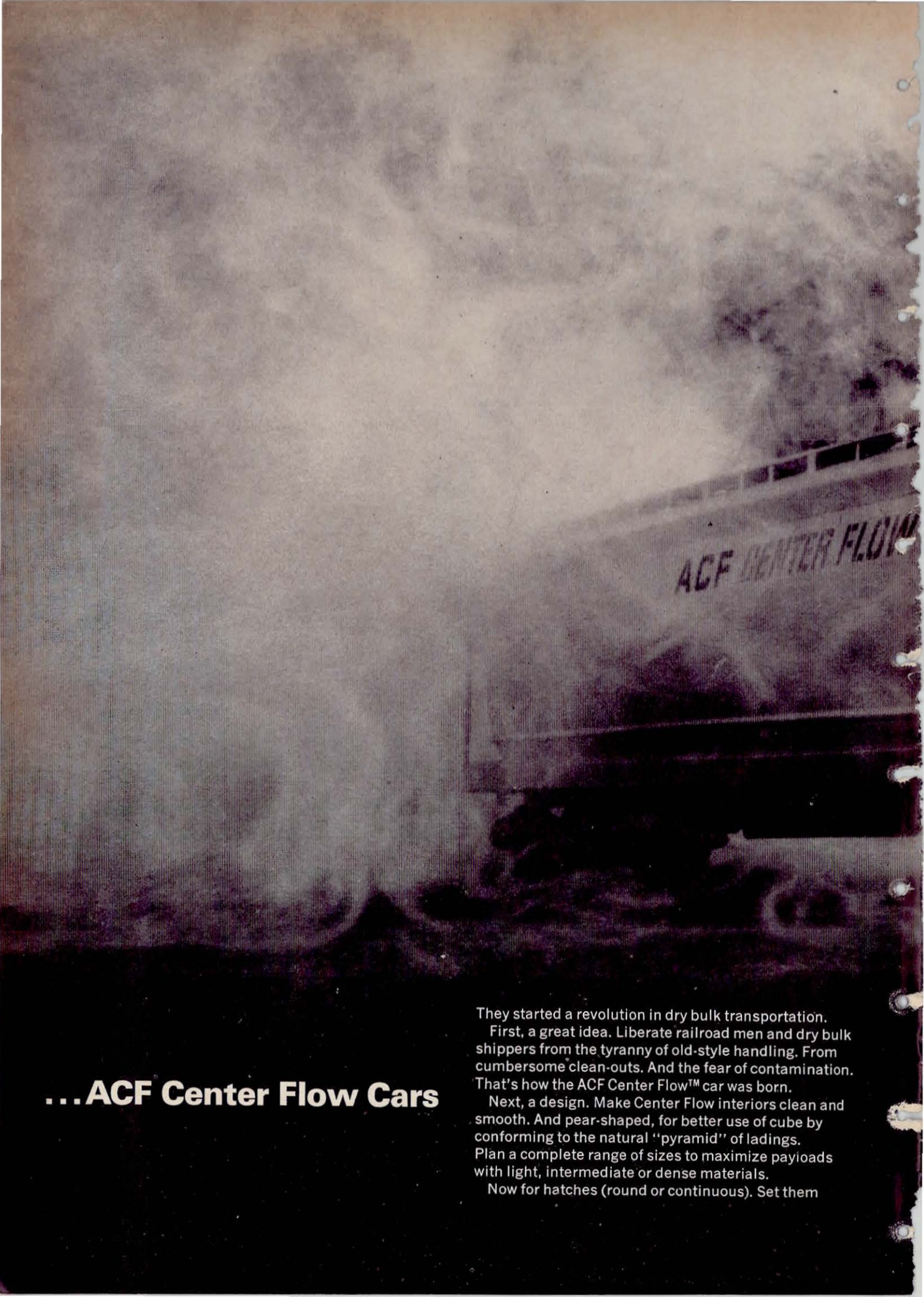


What does it take to start a revolution?



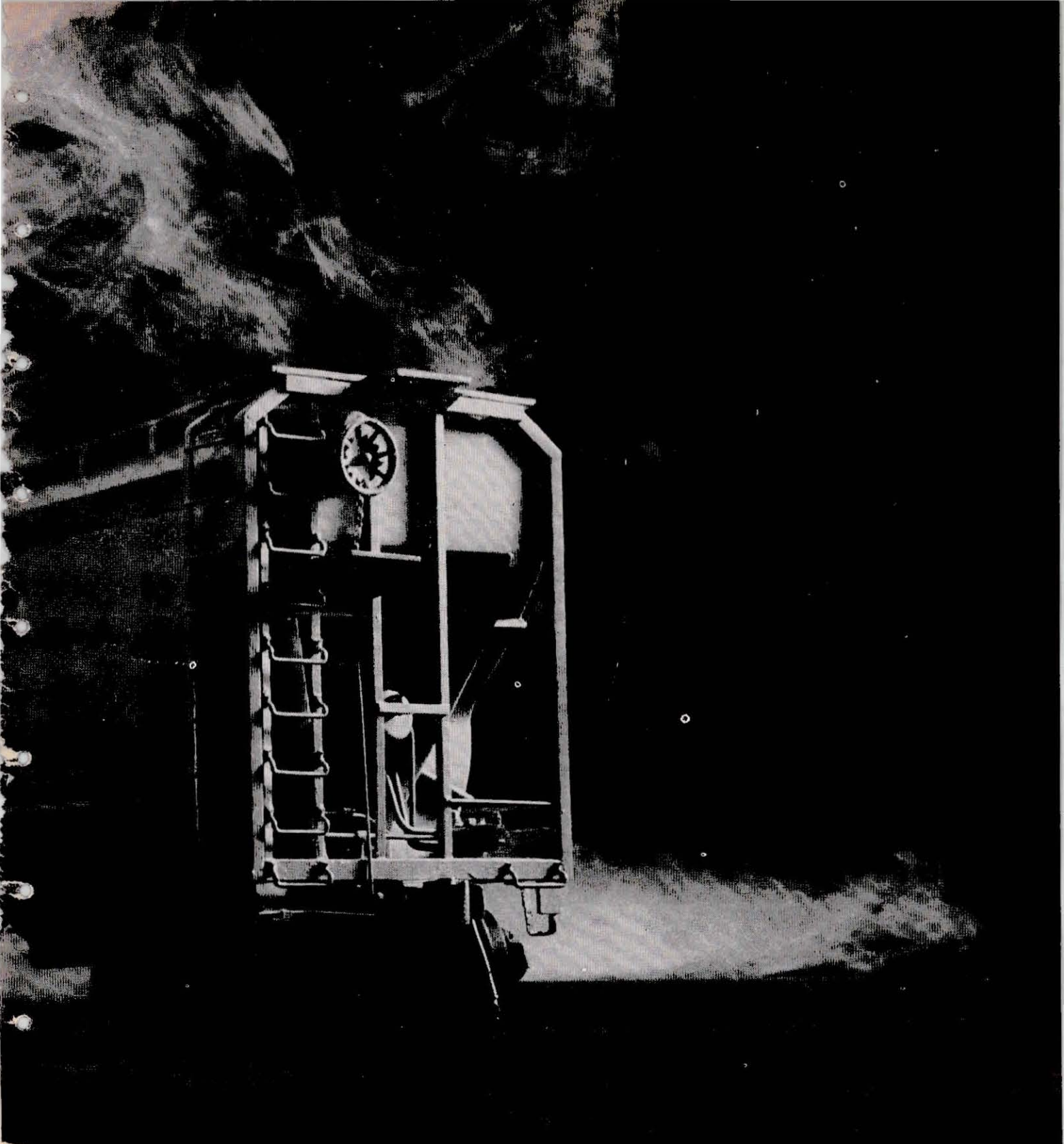
. . . ACF Center Flow Cars

They started a revolution in dry bulk transportation.

First, a great idea. Liberate railroad men and dry bulk shippers from the tyranny of old-style handling. From cumbersome clean-outs. And the fear of contamination. That's how the ACF Center Flow™ car was born.

Next, a design. Make Center Flow interiors clean and smooth. And pear-shaped, for better use of cube by conforming to the natural "pyramid" of ladings. Plan a complete range of sizes to maximize payloads with light, intermediate or dense materials.

Now for hatches (round or continuous). Set them



along the center line for fast, easy handling. Add outlets designed to match any type of receiving system and the complete range of dry bulk products.

Note: the coup was successful. Today, over 10,000 revolutionary ACF Center Flow cars are making money for the railroads of America.

For details call or write American Car & Foundry Division, ACF Industries, Incorporated, St. Charles, Missouri 63301, or our sales office in Chicago, Philadelphia, St. Louis, San Francisco, Washington, D.C.

acf ACF INDUSTRIES

Ingot mold case heats up old issue

Can shippers or carriers ever depend upon consistency in Revised Rule of Rate Making?

BY NEWTON MORTON*

A recent, full-bench 8-3 ruling of the Interstate Commerce Commission (I&S No. 8038) reversed a Division 2 decision which had cleared reduced railroad rates published in an effort to become competitive on shipments of ingot molds moving over truck-water routes.

Since the ICC sits as a body only on cases of great significance, the fact that it considered this case in that way is an indication of the importance the Commission attached to the issue involved. Inevitably, this returns to the arena of discussion (if, in fact, it was ever absent) the question of whether shippers or carriers may ever depend on any consistency of policy application or any adherence to current statutory provisions involving the Revised Rule of Rate Making (1933), as amended by the provisions of the Transportation Acts of 1940 and 1958.

● **Rule of Rate Making—1920-1940.** A rather compressed summarization of the regulatory sequence involving the emergence of a somewhat optimistically termed Rule of Rate Making seems in order.

In the Transportation Act of 1920, Congress evidenced its concern in the availability of rail revenue sufficient to provide service adequate for public needs. The rule therein provided that rates were to be set so they would produce a proper return for carriers in the country as a whole, or for those in any substantial portion thereof. This was not a guarantee; it was a desired objective. If any carrier earned more than the ICC prescribed as being proper, half the excess was to be sent to the Commission to be used as a loan fund for needy railroads (the recapture provision). The other half was to be retained in the railroad treasury to be used for prescribed purposes (fixed charges, rental of equipment, etc.)

In 1933, the Emergency Transportation Act eliminated the former rule and provided a new, tri-partite rule. The first part of this read, in substance, that the ICC, in determining the reasonableness of a rate or rates should "consider the effect of the proposed rates on the flow of traffic." The Transportation Act of 1940 added "of the carrier or carriers for which the rates were prescribed [or permitted]". In other words, the ICC was not to be concerned in its findings and orders with the effect of the proposed rates on carriers which did not concur in their publication.

● **Rule of Rate Making, post-1940.** From the 1940 act until the New Automobiles Case in 1945, the ICC applied the amended, revised Rule of Rate Making as the statute read. *Selectively* after that date, the ICC forced rail carriers proposing rates which the Commission thought to be too low to raise them, on the grounds that, while compensatory in covering out-of-pocket costs (short-term viariable costs) and making some contribution to overhead

*Associate Professor of Transportation, Kent State University, Kent, Ohio.

'NO CLEAR GUIDE TO AN ICC VIEW'

Comments evolving from consideration of I&S 8038 and the ICC ruling therein seem directly and vitally pertinent in transportation and distribution management, as all parts of our economy continue the struggle to survive the competitive stresses of our present system of regulated competition. These are:

(1) The ICC, in a sense, is like a professional horseback rider in a circus or county fair—he dashes toward a distant hurdle while standing on a pair of horses, one foot on each, hoping to keep his mental and physical equilibrium as he approaches and attains his objective. The ICC contends on the one hand with the generalized terms of the National Transportation Policy and, on the other, with the hard realities of specific competitive situations in the rate-making area. These conflict and make most difficult a rationalization "in the public interest."

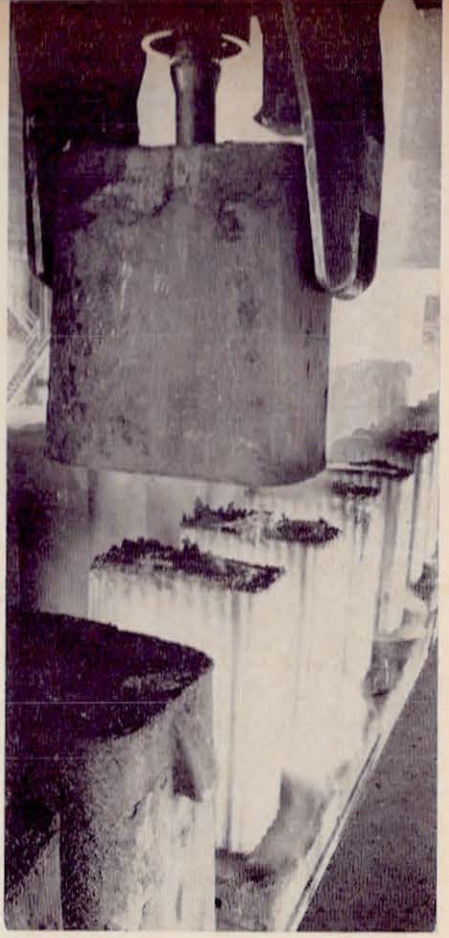
(2) Difficulties of the problem are poignantly reminiscent of what has been described as the "daisy-petal" or "Now she loves me; now she loves me not" technique. Or, on the part of the ICC, "Now we will apply the rule as it seems to read clearly; now we will apply it according to our idea of pricing theory."

(3) There appears to be no clear guide as to what view the ICC will take in any particular case involving the general area of rate reasonableness.

(4) The view of the majority in an ICC (or court) case often seems less valid than that of the minority.

(5) It is seemingly impossible for Congress to phrase and enact legislation which provides the basis for a guiding interpretation, such as the Rule of Rate Making apparently provides, which will stand up under ICC implementation.

(6) Where do we go from here? This is not a moot question argued for practice; it is one which concerns vitally the various parts of our economy. There should be some valid criterion available to serve as a guide as to what we may expect; as to what is proper action. Must we attempt to forge one in a case-by case interpretation, which may not stand up for any great time, or is it possible to formulate some other solution?



STEEL INGOTS are stripped of their molds at United States Steel Fairless Works near Morrisville, Pa.

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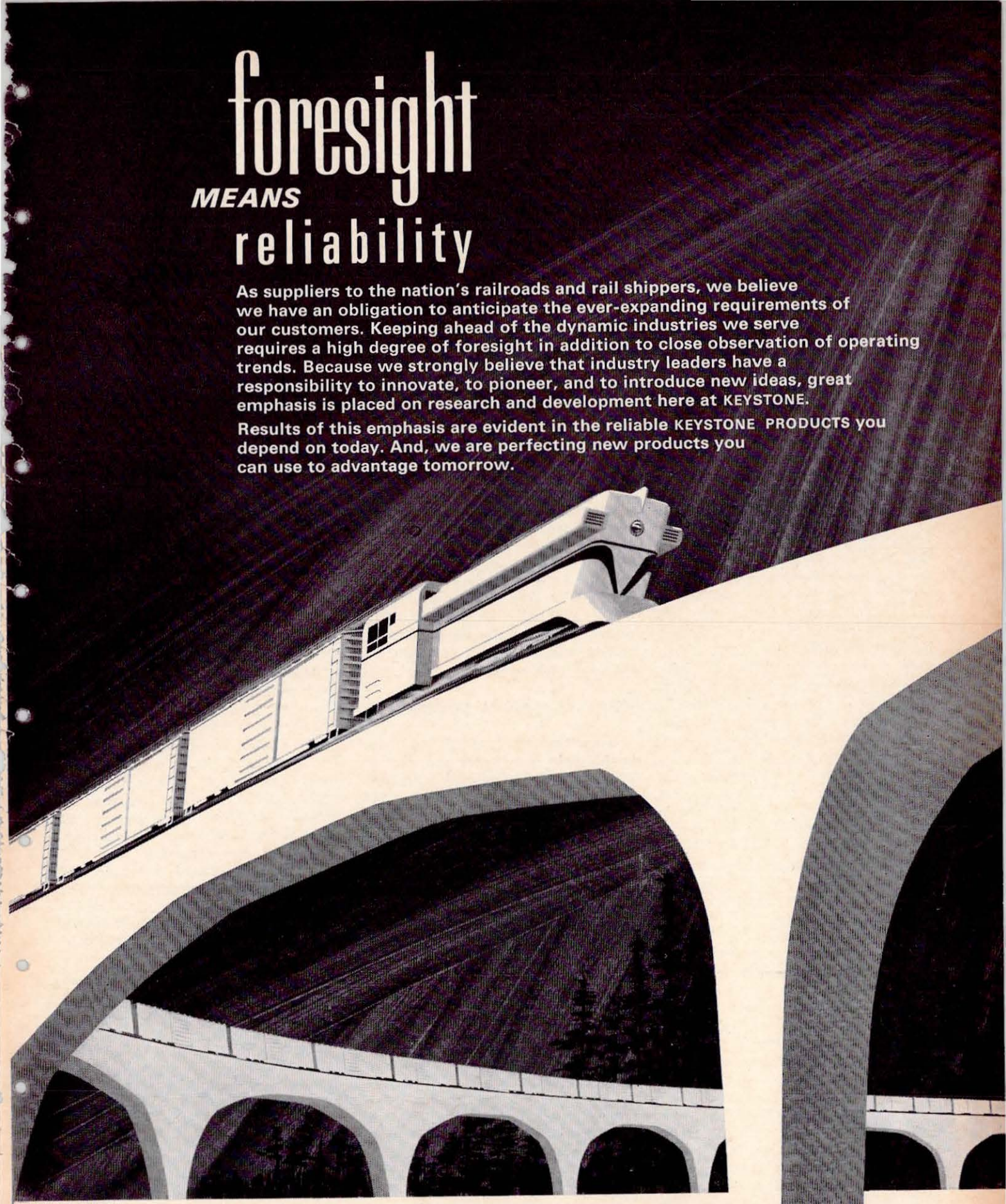
foresight *MEANS* reliability

As suppliers to the nation's railroads and rail shippers, we believe we have an obligation to anticipate the ever-expanding requirements of our customers. Keeping ahead of the dynamic industries we serve requires a high degree of foresight in addition to close observation of operating trends. Because we strongly believe that industry leaders have a responsibility to innovate, to pioneer, and to introduce new ideas, great emphasis is placed on research and development here at KEYSTONE.

Results of this emphasis are evident in the reliable KEYSTONE PRODUCTS you depend on today. And, we are perfecting new products you can use to advantage tomorrow.



KEYSTONE RAILWAY EQUIPMENT COMPANY

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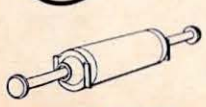

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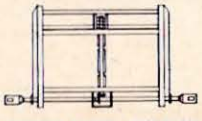

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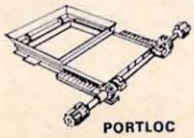

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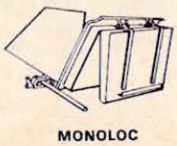

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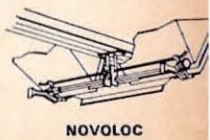

NOVOLOC

Should the Interstate Commerce Act be changed?

(although not necessarily equivalent to the contribution made by rates on other commodities), they were deemed to be improper and not to be approved.

This represented the basic conflict between the "inherent advantages" provisions of the National Transportation Policy and the "destructive rate practices" provisions of the same policy as incorporated into the Interstate Commerce Act by the Transportation Act of 1940.

It must be emphasized distinctly that any comment concerning an interpretation of the ICC as exemplified in I&S 8038, in which it refused to approve a compensatory rate, constitutes no allegation that it was characteristic of their findings and orders in *all* rate reasonableness cases considered in the 1945-65 period. Nevertheless, it did appear with sufficient frequency to engender considerable feeling of frustration and opposition. This resulted in the addition in the Transportation Act of 1958 of new Paragraph 3 of Section 15(a). This provided that the ICC could not hold a rate to any particular level "to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the National Transportation Policy."

A phrase-by-phrase analysis or comparison of Paragraph 3 of Section 15-(a) with Paragraph 2 of the same section, as enacted in 1940, reveals quite clearly that the only significance of Paragraph 3 was that Congress said, in effect, "We meant what we said in 1940." Concurrence in this view is not universal. It still appears, however, that Paragraph 2 said in 1940 that the ICC, in considering reasonableness of proposed rates, has to rule only on their effect *on the carrier or carriers for which the rates were prescribed* (omitting from official consideration other carriers of the same or of different modes). It further appears that the National Transportation Policy subjected all actions before it (not rate actions alone) to the generalized objectives of that policy.

Thus, it is impossible to support effectively any thesis except that the 1958 Act really added nothing new to the Rule of Rate Making. It just provided a more effective buttressing (it was hoped) of the rate-making provisions in the Interstate Commerce Act since 1940, much as the Elkins Act in 1903 buttressed the Act to Regulate Commerce as amended 1887-1903—by, for example, providing concurrent penalties for intentional departure from rates in the published tariffs.

When railroads attempted to capitalize on the supposed pricing liberalization under the 1958 enactment, the landmark Paint Case apparently confirmed their right to set rates which were compensatory and still competitive with those of motor carriers. This produced fervent expressions of buoyant approval from the railroads, to the effect that the millenium of the long-awaited rate-making freedom had arrived. Without a play-by-play treatment of cases in the post-Paint Case period, it seems accurate to say that I&S 8038 indicates continuance of the uncertainty and the deprivation of a definite guide.

- **Pricing policy problems.** The term "umbrella principle pricing" signifies in substance that the compensatory rates of a low-cost carrier are forced by the ICC to be *raised* to a point which will enable the high-cost carrier to compete. Under this application, the high-cost carrier continues to haul at its higher rate traffic requiring expedited movement, while the slower, low-cost carrier hauls at its lower rate traffic not requiring such movement.

Reverse-umbrella position

When Division 2 of the ICC ruled in I&S 8038 that it approved the contested rates of the railroads—the high-cost mode in this instance—they were, in effect, establishing a somewhat reverse-umbrella principle. In any case, it was breaking new ground in the field of carrier rate freedom.

The ICC has a general rule that fully-distributed costs, rather than out-of-pocket costs, should be the basic or governing standard of the propriety of rate levels.* This means that each movement, regardless of the value of the commodity transported, should bear the same proportion of constant or overhead costs above the out-of-pocket basis. This is also termed average pricing. It is based on an historic treatment of tonnage already handled and does not constitute pricing to secure future movements. It is an unrealistic view, seemingly utterly opposed to the competitive philosophy of the market place and many ICC decisions.

Industry does not adhere to average cost pricing under common cost situations or otherwise. It obtains a different return from units of the same article or of different articles of the same or different production costs and values, as the market permits. This is an exemplification of *differential pricing*. Why should the situation in transportation be any different?

Railroads have been frustrated and dismayed by the recognition and application of fully-distributed cost pricing, even though the ICC has sometimes deviated from the principle, particularly when regulated carriers were bidding against unregulated carriers or when the ICC has thought that carriers' imbalance could justify a countervailing application of out-of-pocket cost pricing on movement in the direction of the lighter tonnage flow.

In I&S 8038, Division 2 permitted out-of-pocket cost pricing, primarily because the water carriers were voluntarily maintaining rates below their own fully-distributed costs. This was the same pricing application which was the basis of their allegations, and those of the motor carriers, against the railroads over many years. In other words, the water carriers were indulging in a pricing policy which constituted skullduggery when exemplified in rail pricing. Division 2, in its approval, said the ostensible cost advantage of the water carriers was not destroyed by the railroads' action in "meeting but not undercutting barge rates." The railroads had stated for some time that ICC policy had constituted a negation of the railroads' right to *beat* competition if they could do so on rates which were compensatory. Further, they felt this policy resulted in ICC allocation of traffic.

It is not at all clear why differential pricing is proper for industry and yet is held by the ICC to be improper for carriers.

The ICC is bound by the Interstate Commerce Act. This discussion, however, is directed to the justice of the matter, and to saying that possibly Congress should get around to changing the Act. How much good this would do in view of current difficulties in enforcing the Rule of Rate Making as it now stands is debatable. At any rate, the ICC, sitting en banc, said it could not allow the so-called inherent cost advantage to be lost "merely by creation of a rate basis below the fully-distributed cost level." It will be noted that the basis for which the ICC pro-

*Fully-distributed costs, according to Commissioner Freas, are utilized to determine the low-cost mode of transport in cases where competing carriers of different modes assert cost advantages inherent in their respective modes. Where competition is involved, the commissioner further states, out-of-pocket costs normally represent the minimum level below which the ICC will not approve rates.

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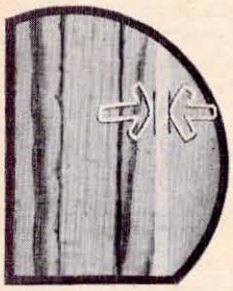

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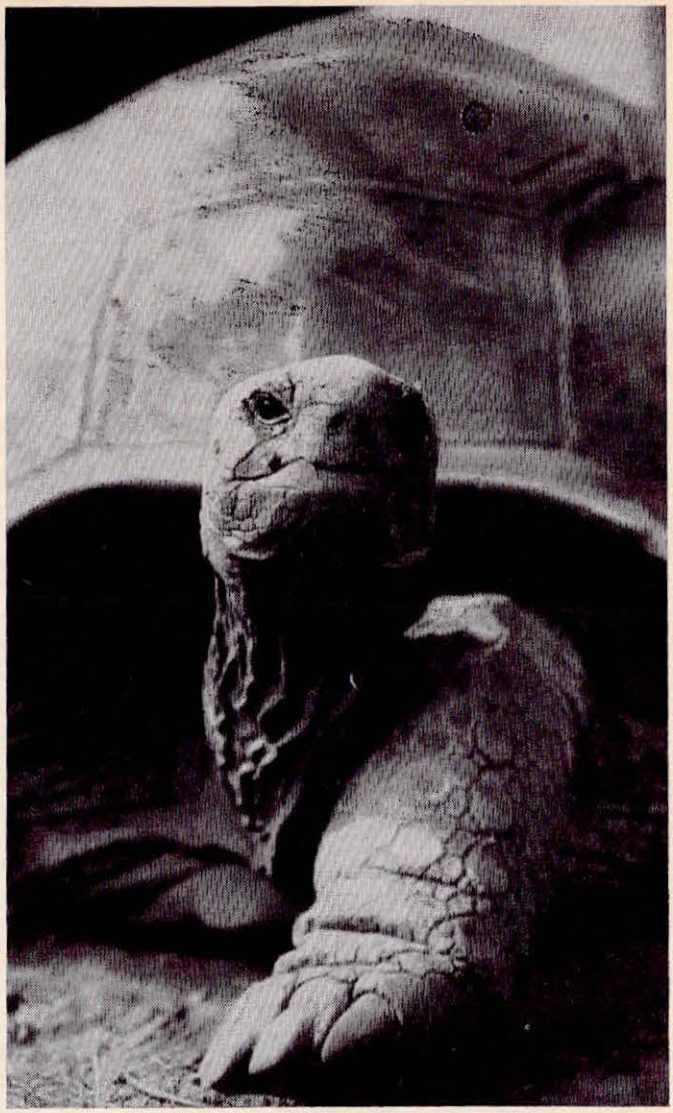

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'The confusion seems to be organized very well'

vided protection was itself below the water carriers' own fully-distributed cost basis.

There are tangential questions of no mean relevance. Are "inherent advantages" of water carriers in fact inherent advantages? Or are they merely conferred arbitrarily to the extent that user charges (to recover amounts, including interest on capital, provided by the public treasury to make the waterways usable commercially) are not included in costs?

● **Questions raised in I&S 8038.** One of the shibboleths of classical economics is emphasis on the merits of free competition. In this country, we do not believe in, or at least do not practice free competition in transportation. We adhere to the idea of regulated competition. On what grounds, except arbitrary ones, may a carrier rate which covers costs and makes some contribution to overhead be justifiably ruled improper while there is no apparent regimen for subjecting industrial sales to any application of the fully-distributed cost pricing concept which the ICC uses for carriers? The question seems to be whether this is regulated or over-regulated competition.

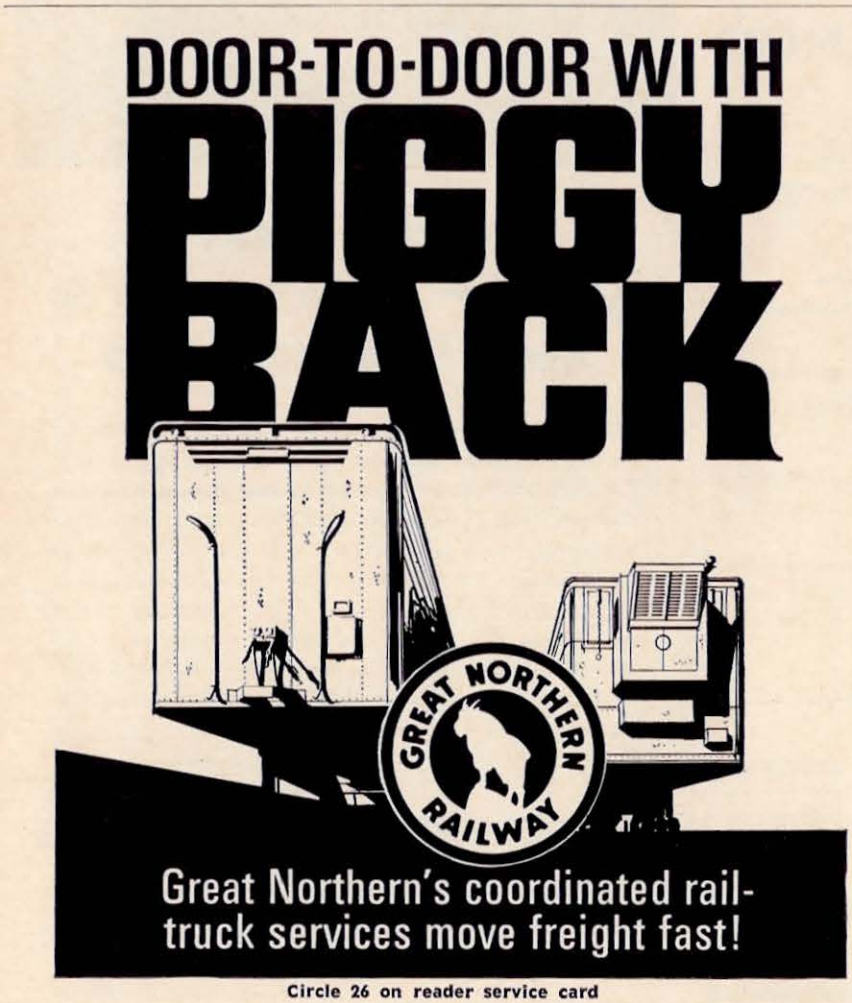
Is the ICC taking valid action in rejecting a rate, as it did in I&S 8038, which covers short-term variable or out-of-pocket costs and makes some contribution to overhead, on the grounds that a similar bid is before it in No. 34013, the pending case involving costing procedure? Does imminent action in another similar case justify rejection of rates involved in the instant case, 8038? Is this supported by the Rule of Rate Making as it stood following the 1940 amendment? If the action in I&S 8038 involved a point sufficiently closely related to No. 34013 to have ICC note it in the former case, would not more judicious procedure call for joining the two cases?

● **Organized confusion.** When a minority of the ICC (Commissioners Freas, Bush and Tierney, whose service constitutes an ipso facto rating of adequacy) disagree with the majority ruling, there are considerable grounds for feeling that the confusion is organized very well. Commissioner Freas' dissent commented that "to limit a proposed reduction to the fully-distributed cost of another mode, regardless of the other mode's rate or other transportation circumstances, is, patently, anticompetitive." Another interesting comment of Commissioner Freas was that the "ICC has come full circle" to resume its pre-1958 practice of "indulging in arbitrary allocation of traffic." He further said that, being unwilling to assume that the efforts of Congress in 1958 were for naught [without any consideration of Paragraph 2 of Section 15(a) as it stood following the 1940 amendments], he thinks the ICC now "invites both reversal in court and legislative action."

That the ICC does face such action seems assured. Proceeding on this assumption, may we depend on any more enlightenment from this subsequent action than we have received to date from the Rule of Rate Making as it was following the 1940 change—which was bolstered by the supposed change in 1958 and further supported by the ruling in the subsequent Paint Case? How many times must there be compounded before it is effective the basic idea that compensatory rates may apply, according to present statutory provisions, regardless of their effects on carriers which are not parties to the rates? Is there any way of getting away from this "iffy" basis of interpretation, under which specific mandates of the Rule of Rate Making must defer to the impossibly broad discretion conferred by the National Transportation Policy? It is extremely difficult, if possible at all, to extrapolate with any relative accuracy so as to estimate the extent to which this broad power will be applied by the ICC.

● **Daisy petals.** The "daisy-petal" technique seems applicable once more. Instead of saying, "She loves me; she loves me not," the impression conveyed by consideration of the rulings in cases involving the Rule of Rate Making is that "compensatory rate-making on the basis of out-of-pocket cost is proper, regardless of the effect on non-concurring carriers; such rate making is not proper"—and so on, ad infinitum.

There is a plenitude of ICC cases supporting one side of this question and, seemingly, countervailing plenitude supporting the other side. Let us mention two of those in which the ICC has ruled *against* conforming to the fully-distributed cost pricing concept which it defended so stoutly in I&S



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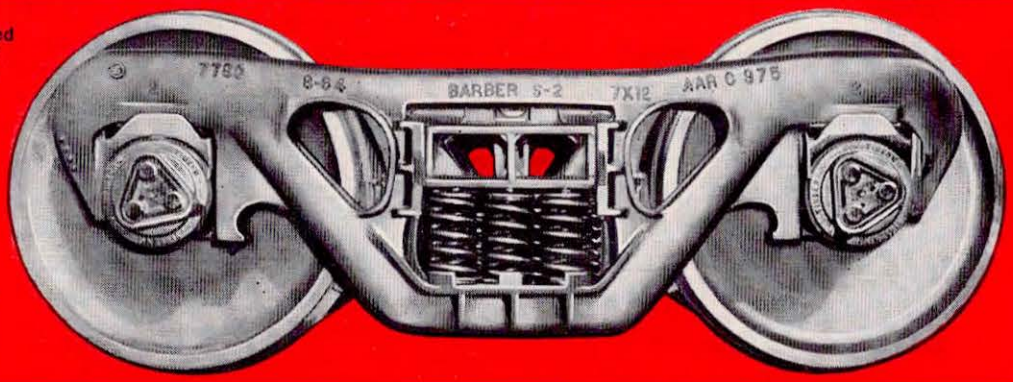

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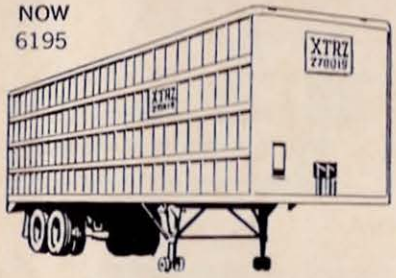

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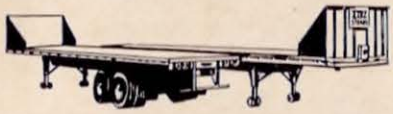

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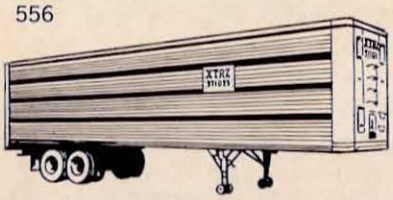

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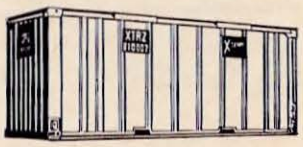

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8038, even while the carriers which the ICC was protecting did not themselves exemplify conformance to the fully distributed cost concept.

1) *Frohman Chemical Co. v. B&O R.R., 115 I.C.C., 1926*—What the traffic can reasonably bear must be considered in determining the proper rates on individual commodities. [This seems to sanction incremental or differential pricing, as distinct from average-cost or fully-distributed cost pricing.].

2) *Proposed Lake Erie-Ohio River Canal, 235 I.C.C. 761, 1940*—Economical life of the nation may require continued play of the principle that, for the good of the whole, the burden of maintaining carrier services must be distributed in part in disregard of relative cost and in proportion to ability to pay.

The ICC itself has provided the most eloquent neutralizing argument against adherence to the principle of basing rates on identification of fully-distributed costs. While the ICC has normally been free from attack on its decisions based on inconsistency with its findings in other cases [M&M Transportation Co. v. U.S., 350 U.S. 857 (1955)], the "daisy-petal" technique has great application if we contemplate its findings and order in U.S. Sugar Corporation v. Atlantic Coast Line R.R., 277 I.C.C. 193 (1950):

"If rates were made in this manner, [i.e., based on fully distributed costs] it would result in reducing the rates on much of the high grade traffic transported by the carriers. At the same time, however, it would bring about increases in the rates on most of the low-grade, volume moving traffic. Rates on the latter have been made in the past under a continuous interplay of economic forces to permit such traffic to move with reasonable freedom and thus to contribute as much as possible to the carrier's overhead or fixed costs. To revise all rates so as to make them reflect exactly or approximately the fully distributed costs, if such a thing were practicable, would tend to dry up much of the traffic moving in large volume, with a consequent reduction in the contribution which this traffic now makes to the carriers' general revenue needs. Such a change would increase rather than reduce the portion of the general transportation burden to be borne by the higher-rated traffic."

Another case in point is I&S 7179, Coal-Southern Mines to Tampa and Sutton, Florida (1961), in which the ICC stated that the reduced rates permitted were reasonably compensatory even though failing to produce the return on investment in road property and equipment normally considered in computation of out-of-pocket costs. In other words, the permitted basis was below out-of-pocket cost and even further below a fully-distributed basis.

Finally, Advance Bulletin of Interstate Commerce Acts Annotated, Vol. IX, No. 3, contains the following citation:

"Carrier-initiated rates which are compensatory and required by local competition may not be disapproved merely because they depart from an overall structure [e.g., one based on fully-distributed costs?] the perpetuation of which would be harmful to the proponent carriers." (Corn and Corn Products from Ill. and Ind. to the East, 319, ICC 568).

In an attempt to rationalize the confusing interpretations under the Rule of Rate Making, we might invoke some banal generality such as the statement of Will Honeycomb, in Addison and Steel's "Spectator Papers," to the effect that "There is much to be said on both side of the subject," and escape embarrassing and controversial discussion of the question in the accelerated confusion induced by the comment. We might say, as Shakespeare did in King Henry V, "Once more unto the breach, dear friends, once more," and renew on an even more heated basis the discussion of a vexing and important question for which it seemed clear Congress had provided a settlement by its 1940 amendment. It seems non-controversial that the proverbial state of flux in the rulings presents an involvement in which we have no clear guide by which to set our course.

We must continue in a case-by-case consideration in an optimistic attempt to project a rationalized criterion as emanating from a particular case with somewhat uneasy minds in that the settlement in a case: (a) may not be that which we had anticipated, based on previous findings and orders; and (b) that decision will provide no reasonably close approximation of a correct prediction of the outcome of future, similar cases. We may also find that a plentiful supply of tranquilizers is a necesssary concomitant in our cogitation.

● **'Yo-yo.'** Facts may differ and opinions may change in the judicial and quasijudicial dicta, but the back-and-forth, up-and-down, "yo-yo" interpretation and application of the Rule [?] of Rate Making continues. Like death, taxes, love of home and mother and the continued necessity of financing the world, discussion of the understanding of the rate-making rule as it is currently, or as it may be amended, threatens to be with us for some time to come. ■

LETTERS FROM READERS

Better car utilization

St. Louis, Mo.

To the Editor:

From time to time we become disturbed and, therefore, vocal about the disparity of treatment of the domestic shipper versus the export shipper. Thus far, our statements have fallen on deaf ears.

Time after time we witness the publication of extremely low rates to certain ports to meet specific truck competition and then the spreading of those rates to other ports regardless of the competition or the miles involved to those ports. This, of course, is done in the name of "equalization."

A very recent case of preferential treatment of the exporter is the action of the Interstate Commerce Commission in the matter of service orders. The exporters, under Order No. 976 after it had been given reconsideration by the Commission, ended up with the exclusion of Saturdays and Sundays from computation of free time and retained their usual low demurrage charges. A very mild slap on the wrist was the reduction of free time to *five days*.

Domestic Service Order No. 979 was not quite so lenient. It specified that Saturday was to be *included* in the computation of free time, and that after free time the demurrage charges were to be *increased* to $10 for the first four days and $15 for each day thereafter.

We grant that drastic measures are necessary to alleviate the present equipment crisis. However, cars held free for five days at the ports contribute as much to the shortage problem as cars held five days in domestic service on which demurrage is paid after 48 hours.

While we are on the subject of car shortages, we must mention that the railroads have a responsibility also. We have many examples of horrible railroad service. Much time is lost in the terminals, and service is so erratic that ingredients cannot be ordered with any certainty of their arrival on schedule. Because of this, much more leeway is required in ordering, and this adds to poor utilization and to excessive demurrage costs.

When ICC operating statistics show that freight cars are moving under load only 1.42 hours per day, or 6% of the time, there is certainly much room for improvement. Can you imagine industry operating a machine only three weeks out of a year? We don't actually have an equipment shortage but we do have a utilization problem. It behooves all of us, domestic shippers and export shippers alike, to do our share in alleviating this shortage.

H. N. Johnson
General Traffic Manager
Ralston Purina Company

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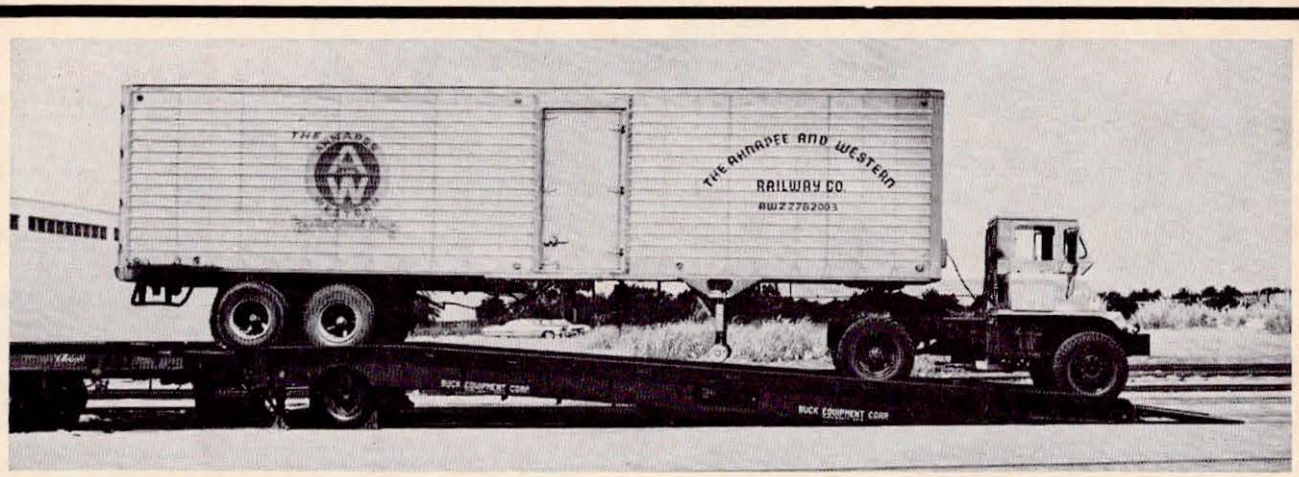
AWAKENING CONTINENT; THE LIFE OF LORD MOUNT STEPHEN, by Heather Gilbert. Volume 1: 1829-91, 314 pages, illustrations, maps. Aberdeen University Press, Aberdeen, Scotland, 40s.

DINNER IN THE DINER; GREAT RAILROAD RECIPES OF ALL TIME, by Will C. Hollister. 144 pages, illustrations. Trans-Anglo Books, Main Post Office Box 2252, Los Angeles, Calif. 90053. $5.95.



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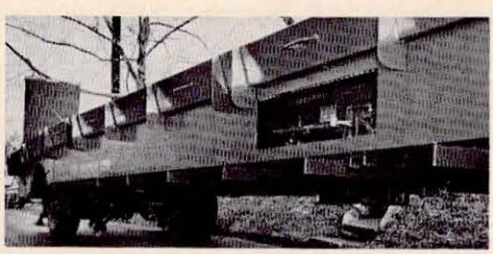

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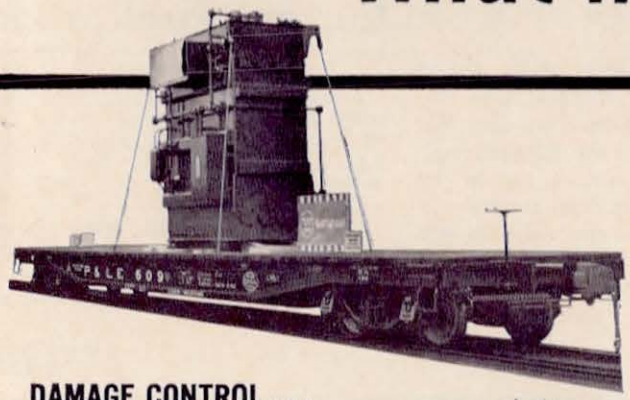

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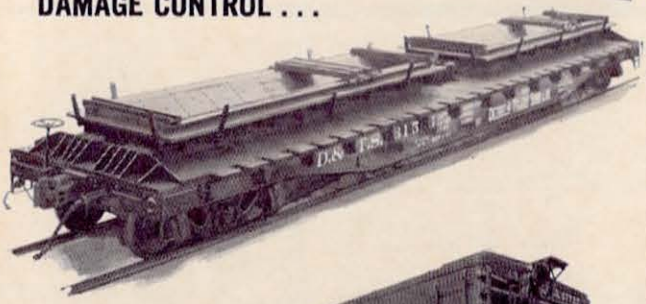

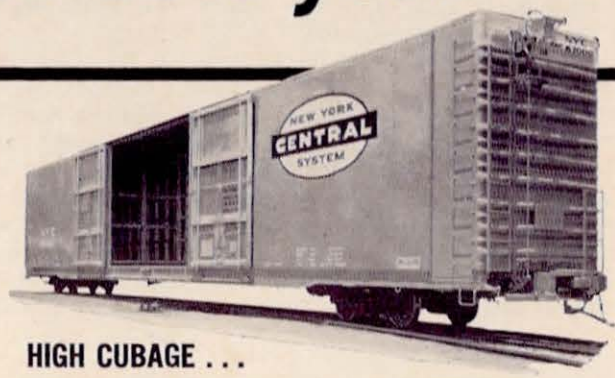

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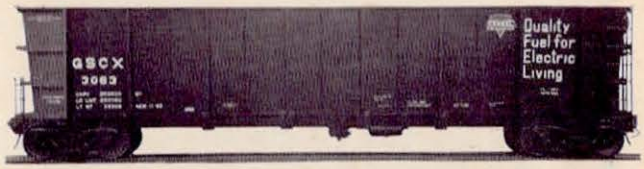
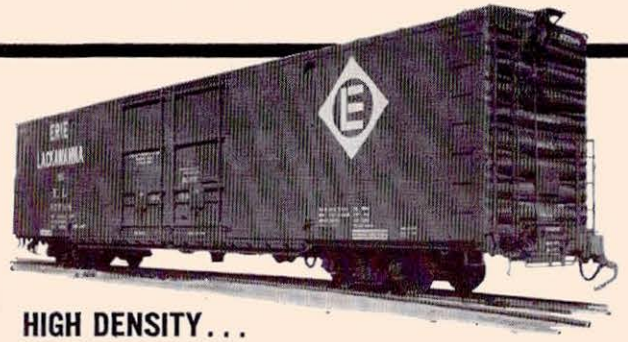


can make a big difference.

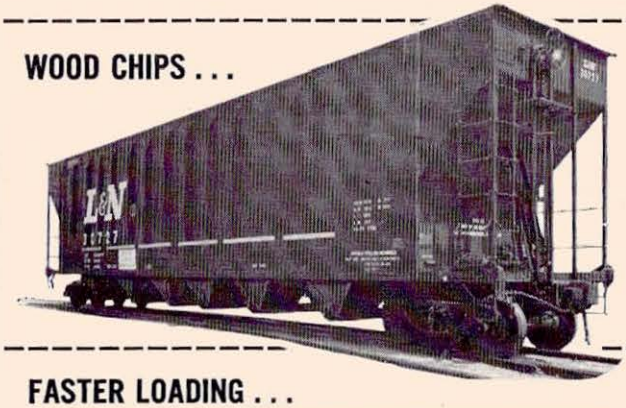


HIGH DENSITY...

TENELON...

BIGGER PAYLOADS...

WOOD CHIPS...



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PRR

George M. Nampa
Evans

Lawrence E. Walkley
WABCO

Richard W. Foxen
WABCO

Alfred W. Frank
Edison Industries

James R. Long
Edison Industries

PEOPLE IN THE NEWS

CANADIAN NATIONAL.—**F. K. Moore,** general passenger agent, appointed passenger service manager—Eastern United States, with headquarters as before at New York.

Dr. T. W. Fairlie appointed co-ordinator transportation systems, with responsibilities to include all functions pertaining to development and implementation of car control.

CANADIAN PACIFIC.—**H. Whitely,** assistant manager—freight rates, Prairie Region, Winnipeg, Man., promoted to manager—freight rates of that region, succeeding **J. P. McEwan,** who retired March 31 after more than 47 years of service. **P. E. Garnett** appointed assistant manager freight rates, Vancouver, B.C., succeeding **F. J. Hamon,** transferred to Winnipeg to replace Mr. Whitely.

On April 1 the following title changes were made in the foreign freight traffic department:

System—Montreal, **J. N. McPherson,** general manager, foreign freight; **C. J. West,** foreign freight traffic manager, Atlantic; **G. H. Creighton,** manager, foreign freight—rail rates and **B. A. Scott,** assistant manager, foreign freight—grain. Vancouver, B.C., **S. H. Garrod,** foreign freight traffic manager, Pacific.

Atlantic Region—Montreal, **L. Grenier,** district manager, foreign freight sales; **J. Brooks,** assistant manager, foreign freight—ocean rates. St. John, **W. J. Ryan,** district manager, foreign freight.

Eastern Region—Toronto, **P. E. Croghan,** regional manager, foreign freight and **D. Walker,** district manager, foreign freight.

Pacific Region—Vancouver, B. C., **E. T. McMullen,** district manager, foreign freight.

United States—District managers, foreign freight: **J. P. Yafcak,** New York; **A. R. Miller,** Chicago; **D. T. Sweeney,** Detroit; assistant district manager, foreign freight, **R. L. Purdy,** Detroit.

Orient—**G. S. Rennie,** sales manager, rail and steamships, Hong Kong; **Y. Kawawita,** representative Japan, Tokyo.

Australia—**R. V. Sablin,** foreign freight representative, Melbourne.

CHESAPEAKE & OHIO—BALTIMORE & OHIO.—**Henry F. Kuhlmann,** chief internal audit officer, appointed assistant to comptroller—staff, Cleveland. **Robert R. White,** auditor—reports and statistics, C&O, named manager of internal audit, C&O-B&O, Cleveland.

MONON.—**C. A. Pfister,** freight traffic manager—rates, appointed assistant vice president—traffic and marketing, with headquarters as before at Chicago. **P. T. diLustro,** national sales manager, named general traffic manager. **R. J. Becker,** assistant freight traffic manager—rates, promoted to freight traffic manager—rates and divisions. **A. H. Vaslie,** general freight agent—rates, named general freight agent. **J. Riley,** assistant general freight agent—rates, appointed general freight agent.

NORFOLK & WESTERN.—**W. G. Lester,** assistant general storekeeper, Roanoke, promoted to general storekeeper there, succeeding **Millard F. Stewart,** retired. **Frennie T. Wolford,** supervisor of inventory control, succeeds Mr. Lester as assistant general storekeeper.

PENNSYLVANIA.—**Thomas J. Powers,** comptroller, **Lehigh Valley,** Bethlehem, Pa., appointed regional comptroller, Western Region, PRR, Chicago.

OBITUARY

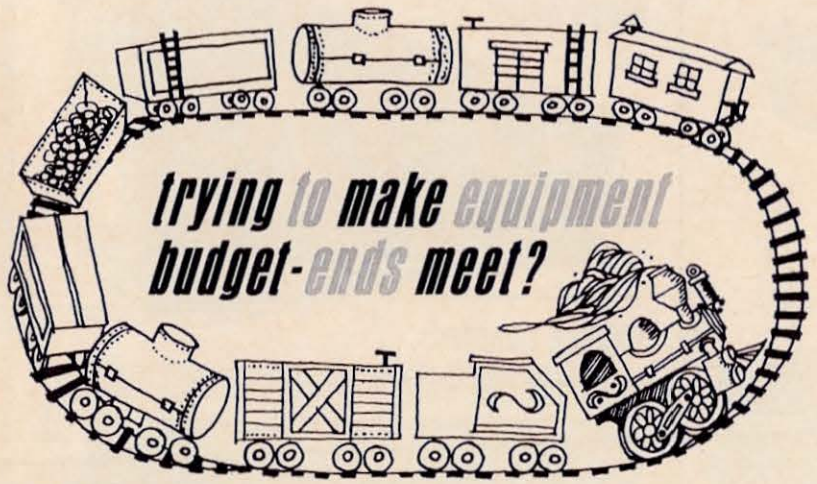
Charles D. Duffy, 48, general traffic manager, **Westinghouse Electric Corp.,** Pittsburgh, died March 12.

Clarence B. Hanover, 66, retired assistant to chief purchasing officer, **Milwaukee,** died April 7 at Boca Raton, Fla.

Yale James, 60, president, **Burlington Truck Lines, Inc.,** died April 10 in St. Mary's Hospital, Galesburg, Ill.

Edwin P. Moses, who retired in Dec. 1951 as engineer car equipment, **New York Central System,** died at his home in White Plains, N.Y., on April 2.

Harry Polson, 62, general traffic manager, **National Gypsum Co.,** Buffalo, N.Y., died Jan. 10 while at work.



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Joseph E. Drennon
Edison Industries

Richard A. Chamberlain
Edison Industries

Supply Trade

George M. Nampa, sales engineer, Railway Equipment Division, **Evans Products Co.,** assigned to Hydra-Cushion underframes, has been promoted to manager, Hydra-Cushion underframe sales and service for Evans.

A. King McCord has been re-elected chairman of the board, **Westinghouse Air Brake Co.,** Pittsburgh. At his own request he relinquished the title of president, but will continue as chief executive officer in direct charge of the operations of the corporation and its subsidiaries. **Lawrence E. Walkley,** vice president—operations and director, has been elected president (RA, April 18, p. 64). Mr. Walkley will report to the chairman of the board and will continue to supervise the operating units of the corporation.

Richard W. Foxen, assistant vice president—manufacturing and purchasing, has been elected vice president—manufacturing and purchasing.

Alfred W. Frank, assistant sales manager, **Primary Battery Division, Thomas A. Edison Industries of McGraw-Edison Co.,** has been appointed general sales manager of the division, at Bloomfield, N.J. **James R. Long,** western regional manager, Chicago, has been named assistant general sales manager there. **Joseph E. Drennon,** district manager, St. Louis, appointed southwestern regional manager there. **Richard A. Chamberlain,** field engineer, Bloomfield, has been named western regional manager at Chicago, succeeding Mr. Long.

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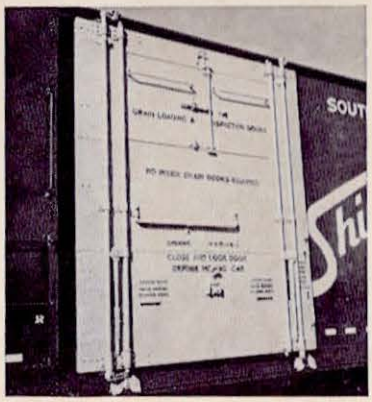
EVANS SUPERIOR CAR DOORS



Evans Superior plug doors—promote lading protection through extreme gasket tension—assure lock-free rolling—are designed to keep damage repair cost to a minimum—fit flush with inside wall of the new single sheathed cars.

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WATCHING WASHINGTON WITH WALTER TAFT

TAFT

ICC HEAD LIKES LBJ PLAN—Chairman John W. Bush of the ICC thinks benefits of the cabinet-level Department of Transportation proposed by President Johnson could be "tremendous and far reaching." The Commission's vice-chairman, William H. Tucker, hopes that dialogue over the proposal's details will not obscure the over-all Presidential aims. Chairman Bush made his prediction last week at Honolulu in an address to the Western Highway Institute. Vice-Chairman Tucker's statement came a few days earlier—at St. Anselm's College in Manchester, N.H. The chairman seemed to be thinking principally about benefits of having one Executive-Department voice in transport matters. Presumably, the vice-chairman had in mind the reservations claimed by carrier spokesmen as they gave "in principle" endorsements to the Presidential plan.

Generally, the plan contemplates transferring executive functions of various federal transportation agencies to the proposed department. Regulatory functions would be left with the ICC, Civil Aeronautics Board and Federal Maritime Commission. The Army's Corps of Engineers would be left with its role of waterway builder. Like other agencies concerned with building public transport facilities, however, it would be guided by the new department's "standards and criteria for the economic evaluation of federal transportation investments."

BROAD AUTHORITY NEEDED—This proposal to give the department broad authority to appraise the relative merits of federal expenditures in competing transport fields is a main basis for reservations expressed by American Trucking Associations, American Waterways Operators and the Air Transport Association. All of these endorse the cabinet-department idea in general. The AAR does, too, but its apprehensions have a different base. It is understood that the railroads may not be too happy about having ICC safety and car service functions transferred to the proposed department.

The ICC chairman identifies the proposed authority to set criteria and standards as something the new department must have to achieve its primary objective. As Bush sees it, that top objective is to channel expenditures for transportation "to those activities and programs which show the greatest need after considering the entire industry and the public interest."

BENEFITS TO ICC—Bush also thinks there would be substantial benefits to the Commission. He says the time saved as a result of relief from safety and car service work could be used to good advantage in disposing of the growing load of cases involving economic regulation. He also points out how a cabinet department could bring into better focus the problems involved in preserving the inherent advantages of each mode of transportation, and in determining the President's position on matters before regulatory agencies.

TUCKER CONCURS—The latter point is made by Vice-Chairman Tucker, too. Implementation of the President's plan, he says, would give the regulators an opportunity to learn the policy of the Executive Branch as a single policy—"not as a collection of fragmented, unbalanced, and often contradictory presentations." Meanwhile, the vice-chairman makes clear his view that the regulatory agencies would still be free; that they would not be bound to accede to the proposed department's policy approach as presented in proceedings before them. He points out that this has always been the position of the regulators with respect to presentations made by individual agencies of the Executive Branch.

The vice-chairman also sees this single-voice setup as a benefit extending to the transportation industry and the shipping and traveling public. The new department, he explains, could be a top-level focus point to which they could go with their problems, plans and needs.

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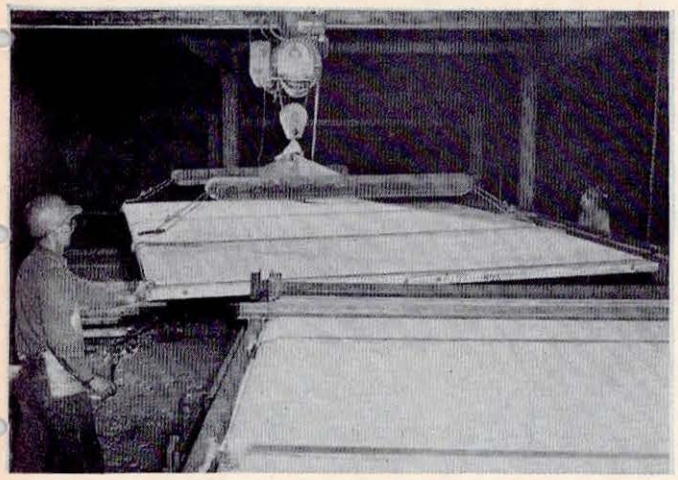

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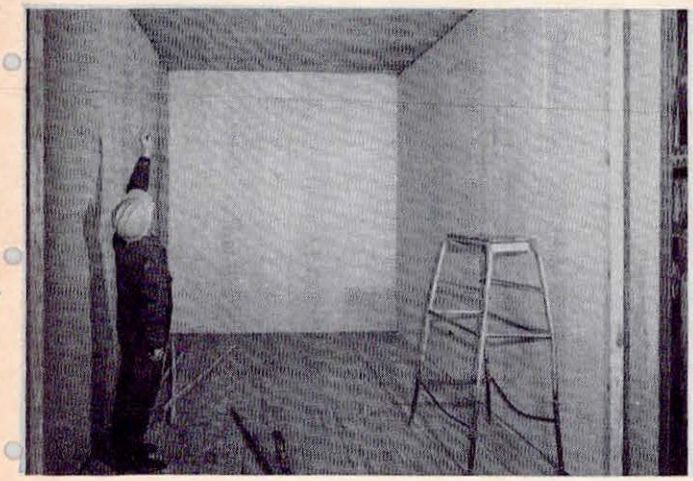
Panel sections can be securely fastened with minimum time and effort.



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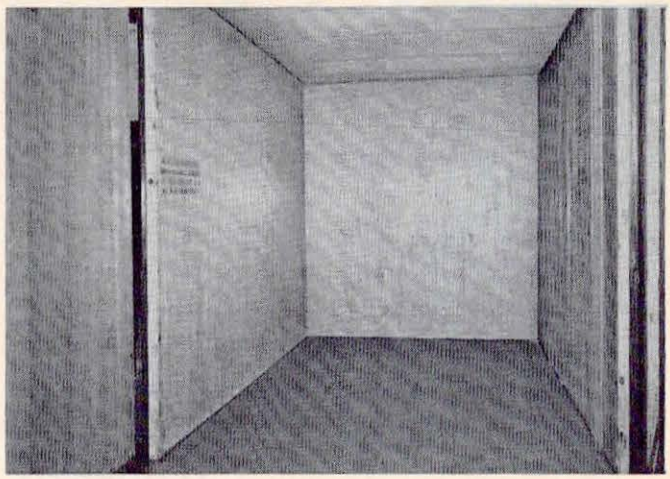

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MARKET OUTLOOK

Carloadings

Loadings of revenue freight in the week ended April 16 totaled 543,049 cars, the Association of American Railroads announced on April 21. This was a decrease of 25,363 cars, or 4.5%, compared with the previous week; a decrease of 4,693 cars, or 0.9%, compared with the corresponding week last year; and a decrease of 26,272 cars, or 4.6%, compared with the equivalent 1964 week. Ton-miles generated by carloadings in the week ended April 16 are estimated at 13.7 billion, an increase of 5.2% above the corresponding week of 1965, and 4.9% above the 1964 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, April 16

District	1966	1965	1964
Eastern, including Allegheny and Pocahontas ..	195,249	224,494	230,918
Southern	115,269	117,426	113,065
Total Eastern and Southern Districts	310,518	341,920	343,983
Northwestern .	77,795	63,221	67,542
Central Western	113,973	104,244	116,456
Southwestern .	40,763	38,357	41,340
Total Western Districts	232,531	205,822	225,338
Total All Roads	543,049	547,742	569,321
Commodities:			
Grain and Grain products	52,015	45,779	45,839
Livestock	1,675	1,757	2,705
Coal	70,334	103,743	109,804
Coke	8,898	9,213	7,882
Forest Products	40,309	38,378	38,067
Ore	36,033	26,861	32,495
Merchandise l.c.l.	6,843	9,695	13,292
Miscellaneous .	326,942	312,316	319,237
April 16	543,049	547,742	569,321
April 9	568,412	557,067	516,434
April 2	544,385	542,094	508,150
March 26	570,481	534,565	513,930
March 19	572,573	543,576	524,149
Cumulative total, 15 weeks ...	8,099,595	7,967,486	7,793,315
Estimated revenue ton-miles (billions) 15 weeks ...	204.1	188.8	183.5

PIGGYBACK CAR LOADINGS.—U.S. piggyback loadings for the week ended April 9 totaled 21,619 cars, carrying 35,780 trailers, compared with 19,551 cars, carrying 31,266 trailers, in the corresponding 1965 period. Loadings for 1966 up to April 9 totaled 291,645 cars, carrying 482,320 trailers, compared with 265,618 cars, carrying 427,994 trailers, in the corresponding period of 1965.

IN CANADA—Carloadings for the ten-day period ended March 31 totaled 120,573 cars, compared with 77,358 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
March 31, 1966...	120,573	39,354
March 31, 1965...	110,132	36,432
Cumulative Totals		
March 31, 1966...	947,916	332,031
March 31, 1965...	878,566	308,131

PIGGYBACK

► *Pacific Fruit Express.*—Plans to buy 250 89-ft flat cars for piggyback service, and 500 40-ft mechanically refrigerated highway trailers. The orders will boost PFE's existing piggyback fleet to more than 2,500 trailers and about 1,250 flat cars. The trailers will have detachable wheel assemblies for use in rail-highway container service. The new equipment is expected to be in service by mid-summer.

► *Seaboard Air Line.*—Ordered 500 all-aluminum, 40-ft insulated semi-trailers for piggyback service, from Great Dane Trailers, Inc. The trailers will be used by Seaboard to haul watermelons from Florida, Georgia and the Carolinas to market in the northeast.

PASSENGER CARS

► *Delaware River Port Authority.*—Awarded a contract to the Budd Co. for the supply of 75 new air-conditioned commuter cars to be used on its new high-speed South Jersey line (running between Philadelphia and Linden Wolde, N.J.). Budd's successful bid was $13,669,292. The cars will be 67 ft, 10 in. long and will weigh 71,103 pounds each.

NEW FACILITIES

► *Great Northern.*—Has ordered type D1 CTC equipment from General Railway Signal Co., to expand their existing Edmonds to Columbia River installation eastward to Ephrata, Wash., about 36 miles. The existing CTC machine at Seattle will be expanded to handle the added control facilities.

► *PATH.*—The Port Authority Trans-Hudson system plans to order air compressors and electrical equipment at a cost of $762,944. Four new air compressors will be installed in the Washington Street, Jersey City substation to improve the PATH compressed air system. Four frequency converters and two local consoles will be installed in the system later this year and in 1967.

► *Pennsylvania.*—Awarded a contract to General Railway Signal for supply of hydraulic type F4 automatic retarder equipment to be installed at Pavonia Yard, Camden, N.J. The order includes automatic switching and speed controls for the 32-track, four-group yard.

► *Soo Line.*—Projects to improve communications and detection systems include installation of main line dispatcher-to-train radio communications between Glenwood, Minn. and Portal, N.D.; base stations for the system are being installed at eight locations—Hankinson, Kensal, Cuba, Carrington, Harvey, Bergen, Foxholm and Spiral, N.D. A radio console will be installed in the dispatcher's office at Enderlin, N.D. to key any one or all of the wayside base stations for communications with trains. Radios on trains can key wayside transmitters to talk to the dispatcher. Field work is being done on hotbox detector installations near Elbow Lake, Lemert and Regal, Minn. Devices to detect broken flanges and dragging equipment will be installed in pairs at Humboldt Yard and Cardigan Junction, Minn. west and east of Shoreham Yard, Minn. Recorders for the devices will be located in the Shoreham Yard dispatcher's office.

YOU OUGHT TO KNOW

A first for the Reading: Refreshment car service has been introduced on a Reading commuter train. The car, converted and decorated especially for this service, seats 69 persons and provides standing room for about 20 more. The morning menu will feature juice, coffee and baked goods. On the evening trips, various beverages will be served. "We hope to make this service available for longer runs on weekends," says J. Richard Tomlinson, director of passenger services. "Based on our experience with this trial service, we will determine whether or not to convert some existing electric cars for the same use."

Railroad safety record: No passengers were killed, but 28 were injured in train accidents in February, according to figures released by the ICC's Bureau of Railroad Safety and Service. Three persons died in train-service accidents and 88 were injured during the same month. By comparison, during February 1965, there were no deaths in either category, but one person was injured in a train accident and 84 were hurt in train-service mishaps. In February this year, 20 employees on duty were killed, 1,362 injured, compared to 13 deaths and 1,530 injuries in February 1965.

March safety violations: Fines amounting to $75,200 were assessed on 41 railroads for 306 violations in March of the Safety Appliance Acts, Hours of Service Act, and Explosives and Other Dangerous Articles Regulations. Safety violations were recorded for 19 inoperative couplers, 27 inefficient hand brakes, 9 insecure running boards, 27 handholds, 10 safety railings, 25 ladders, 11 sill steps, 114 defective air brakes, 38 instances of failure to make air brake tests, and 2 instances of incorrect height of drawbars. Two roads were fined for 21 violations of the Hours of Service Act, and three carriers for explosives violations.

Alleghany reduces its NYC holdings: Alleghany Corp., which used to be the largest single holder of New York Central stock, now owns about 2.2%, or 150,000 shares of the railroad. Alleghany previously had 984,100 shares, or 14.3% of the total outstanding, but has just concluded a tender offer in which it exchanged NYC for Alleghany securities to tendering stockholders. Redemption of its own shares through the tender offer is tax free to Alleghany. Sale of the 834,000 shares would have cost Alleghany an estimated capital gains tax of about $11.6 million.

How to spend $500,000 a day: Chesapeake & Ohio and Baltimore & Ohio have earmarked $175 million for capital expenditures this year. And, says C&O-B&O Vice President Owen Clarke, this comes out to spending nearly half a million dollars a day—including Saturdays, Sundays and holidays—"to assure that we have the transportation capability to progress and to maintain a position of leadership within our industry." He said that in the future only the larger, super railroads will be able to afford the expensive equipment that will be needed to keep the railroads competitive, and that's one of the reasons the two roads are seeking to merge with the Norfolk & Western. "Mergers are not for shrinkage . . . [but] to provide improved service at more attractive prices—hence, to turn the trend of traffic steadily upward. The long-run purpose is not to reduce railroad job opportunities, but to assure their increase."

Reading shows a gain: In first quarter 1965 Reading was $607,000 in the red—but in the first quarter of 1966 just ended the road made a million-dollar recovery. Reading President Charles E. Bertrand announced last week that net income for the first three months of 1966 comes to $411,000, an improvement of $1,018,000 over the net loss of $607,000 in the corresponding period last year. Revenue increases were recorded in bituminous coal traffic, merchandise freight and passenger earnings and contract payments; revenues from anthracite decreased.

Truck tonnage: Intercity truck tonnage in the week ended April 9 was 5.7% below that of the previous week, and 2.7% ahead of the volume in the corresponding week of 1965, according to American Trucking Associations.

Current statistics

Net Income	
12 mos., 1965	$815,000,000
12 mos., 1964	694,000,000
Carloading, revenue freight	
15 wks., 1966	8,099,595
15 wks., 1965	7,967,486
Freight cars on order	
Mar. 1, 1966	51,760
Mar. 1, 1965	34,703
Freight cars delivered	
2 mos., 1966	13,987
2 mos., 1965	13,053
Serviceable cars	
Mar. 1, 1966	1,400,754
Mar. 1, 1965	1,398,903

Industrial Traffic

Lloyd W. McManus named plant traffic manager, **Fisher Body Plant, General Motors Corp.**, Lansing, Mich., to succeed **E. A. Sakraska,** who retired Apr. 1.

R. M. Hageter, Jr., has been named manager, packaging and loading, and **P. B. Wysor,** assistant manager, packaging and loading, Traffic Department, **Bethlehem Steel Corp.** Formerly Mr. Hageter was manager of special rail transportation in the traffic department and Mr. Wysor was packaging engineer, metallurgical department. Both will be located in the general offices, Bethlehem, Pa.

Edward A. Metcalf has been appointed assistant to regional traffic manager, Chicago. He will assume the duties of **Edward D. Haugh,** district traffic manager, who retired March 31. Mr. Metcalf has been with Bethlehem's traffic department in Chicago since 1957, prior to which he served in the freight traffic department of the **Pennsylvania.**

H. Wakefield McGorrill, assistant traffic manager, **Oxford Paper Co.,** has been appointed traffic manager, **Burnham & Morrill Co.,** Portland, Me., to succeed **Lawrence R. Newell,** retired.

A Distribution Research & Planning Section has been established in the Traffic Department, **Allied Chemical Corp.** Appointments announced: **Clyde Parks,** general manager—distribution research and planning; **Zachary C. White,** assistant to the general manager; **John E. Abernethy,** manager—rail; and **Walter E. Potts,** manager—motor. **John J. Donohue** named manager of traffic coordination, succeeding Mr. Parks. **Ernest Sigeti** appointed assistant to **Robert E. Heine,** general manager—traffic.

Richard E. Thompson, director of raw materials, **National Steel Corp.,** Pittsburgh, has been appointed vice president—purchasing and traffic. **Charles E. Eddy,** assistant director, succeeds Mr. Thompson.

Paul Foley appointed divisional traffic manager, carbon black and machinery, **Cabot Corp.,** Boston. Mr. Foley previously handled all traffic for Cabot. **Eugene O'Connell,** traffic analyst, **B. F. Goodrich Co.,** Akron, Ohio, has joined Cabot in the newly created position of divisional traffic manager, Oxides & Plastics, reporting to **Lee Cisneros,** manager of physical distribution. **Marcel Roy,** assistant traffic manager, has been appointed manager—traffic services.

Ralph L. Andreas, manager of traffic, **American Oil Co.,** Chicago, has been named director of purchasing and traffic, effective July 1, when the two departments will be consolidated. **L. F. Andry** will be manager of traffic and will have reporting to him **P. R. Gary** as manager of highway traffic and **G. E. Mayfield** as manager of rail traffic.

Mr. Andreas was formerly vice president of sales and service, **Rutland** in Vermont, prior to which he was with the **Illinois Central** for 21 years.

James J. Fay, eastern district traffic manager, **St. Regis Paper Co.,** New York, has been appointed assistant general traffic manager. Before joining St. Regis, Mr. Fay served the **New York Central. Charles W. Strauss,** plant traffic manager, Jacksonville, Fla., appointed export traffic manager, New York. Mr. Strauss was formerly with the **Burlington.**

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THE ACTION PAGE

Courageous men make great industries

It is a peculiar fact that modern man, especially in business, tends to be quite shy of talking in really basic terms. Few men risk talk of such things as courage, service to the nation and other such basic attributes for fear of being thought stuffy.

In our industry the talk is all of marketing, competition, technology, regulation and so forth. Railroad men, like men in other industry, talk sapiently about problems and opportunities. But few talk of the rock-hard personal requirements that man must have before they can achieve anything meaningful.

Southern's president D. W. Brosnan did just that last week, at Chicago, addressing the Western Railway Club. Noting that the tides of public opinion are running high and favorably for the railroads, Brosnan urged railroad men everywhere to read the signals correctly—and to have the courage and conviction to fight for the right to serve the public as a private industry.

"Railroads today are riding the crest of a wave of public interest that probably has been unmatched in the memories of any of us," Brosnan declared. "Some of this interest has been created by problems railroads have had. More has been generated by dramatic changes—diesels, piggyback, big and unusual freight cars, unit trains and other things.

"The greater public awareness of the importance of railroads is a healthy thing for us. There are favorable—very favorable and profitable—overtones in it for the railroad industry. There is also an opportunity that may *not* come again for the railroads to capitalize on this public interest in ways that will be a great constructive force for our country's good.

"It is up to the railroads to move in creative ways to see that we do grow as a constructive force of this kind. We will never have a better chance. We *must not* fail in our opportunities to make privately-operated railroads a *greater* and *more* meaningful contributor to our expanding national economy. If we do fail, we might very well be writing the last chapter in a story of free enterprise that began more than 135 years ago."

Brosnan furnished the emphasis and, frankly, we feel he has put the present situation of the industry into a kind of Promethean nutshell. The nation's rapidly expanding economy demands ever-increasing amounts of transportation service. The railroads have the technology to fill the need. Courage, conviction and a genuine drive to serve the public are, as Brosnan suggests, the ingredients railroad men everywhere will need to keep railroads in the private sector and to bring about the greatest era the industry has ever known.

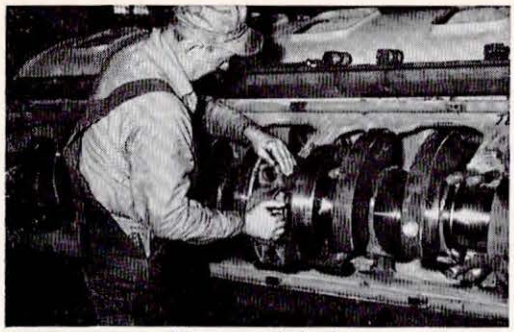
World interest in railroads rises

Railway Age's survey of the industry's research and development effort (RA, April 18, p. 18) indicates how quickly the nation's railroads and suppliers are reacting to the shape of the future as it is sketched in by sociologists and demographers. Experts everywhere are alerting government to the additional ground transportation that will be required by our expanding society in the next decade or so.

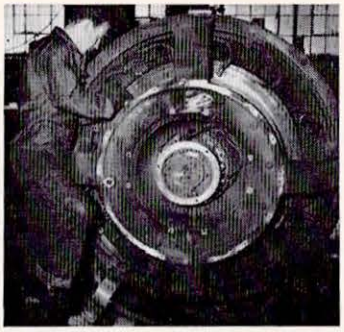
Governments the world over, in fact, are responding to the same kinds of signals from experts charting identical trends everywhere insofar as transportation is concerned. Germany's railways have doubled R&D expenditures since 1957. Britain has upped its already hefty R&D expenditures more than 150% since 1958. Belgian railroad R&D went up 180% in a three-year period. Soviet Union railroad R&D rose 250% between 1957 and 1961. Another iron curtain country, Poland, increased R&D expenditures for railroad research by 150% between 1961 and 1964. The research and development effort behind the Japanese Tokaido Line reflects a rise in R&D expenditures for JNR that may very well be measured in thousands of percentage points.

U.S. rail technology has, by and large, kept pace with rail technology the world over—with some exceptions. R&D expenditures by railroads in virtually every other country are financed, mostly, by governments. U.S. rail R&D has, by and large, kept the industry abreast of rail technology the world over—and done so without a hand in the public till. There is good indication that U.S. rail R&D expenditures rose more than 600% between 1960 and 1965. Railroad suppliers have upped their R&D expenditures somewhat in the neighborhood of 250% during the same period.

U.S. railroads, in fact, have the right to be rather proud of what they've done—and without government help.

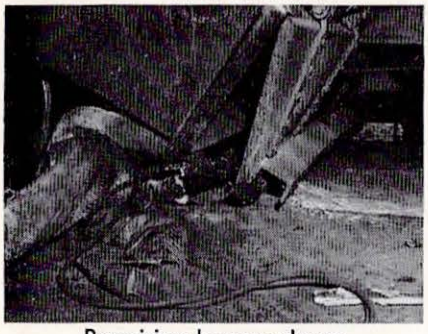


New crankshaft

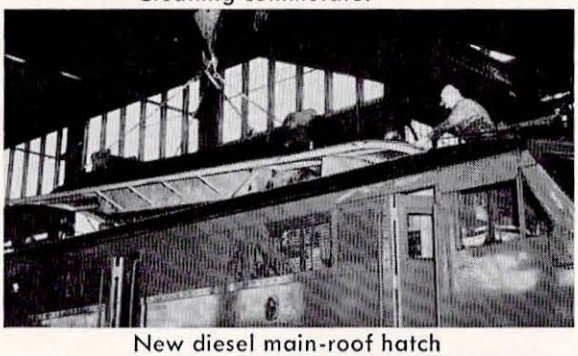


Cleaning commutator

Welding box cars

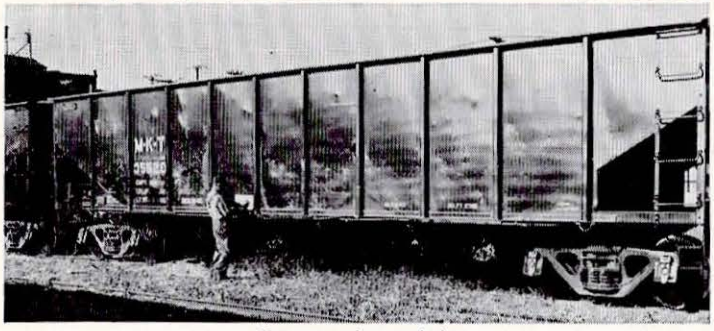


Repairing hopper doors

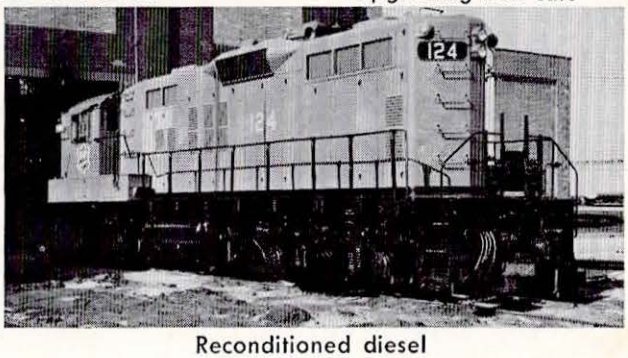


New diesel main-roof hatch

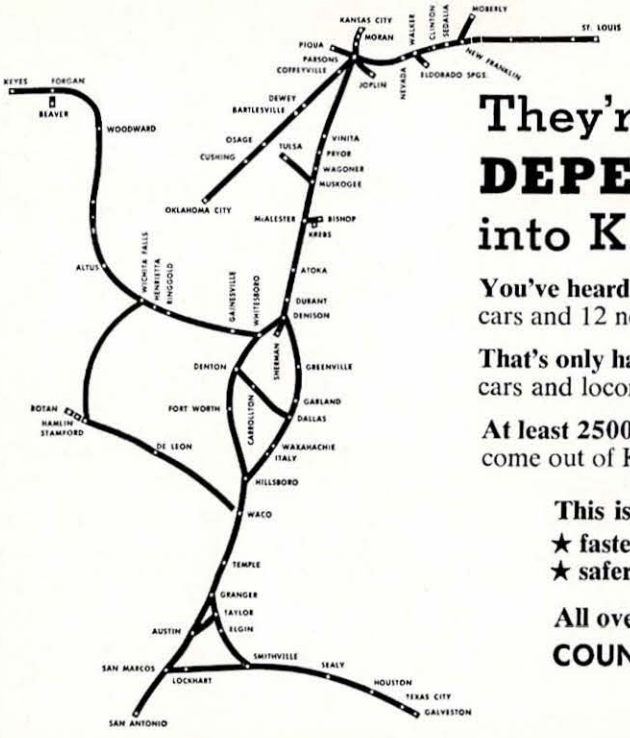
Upgrading box cars



Renewed gondola



Reconditioned diesel



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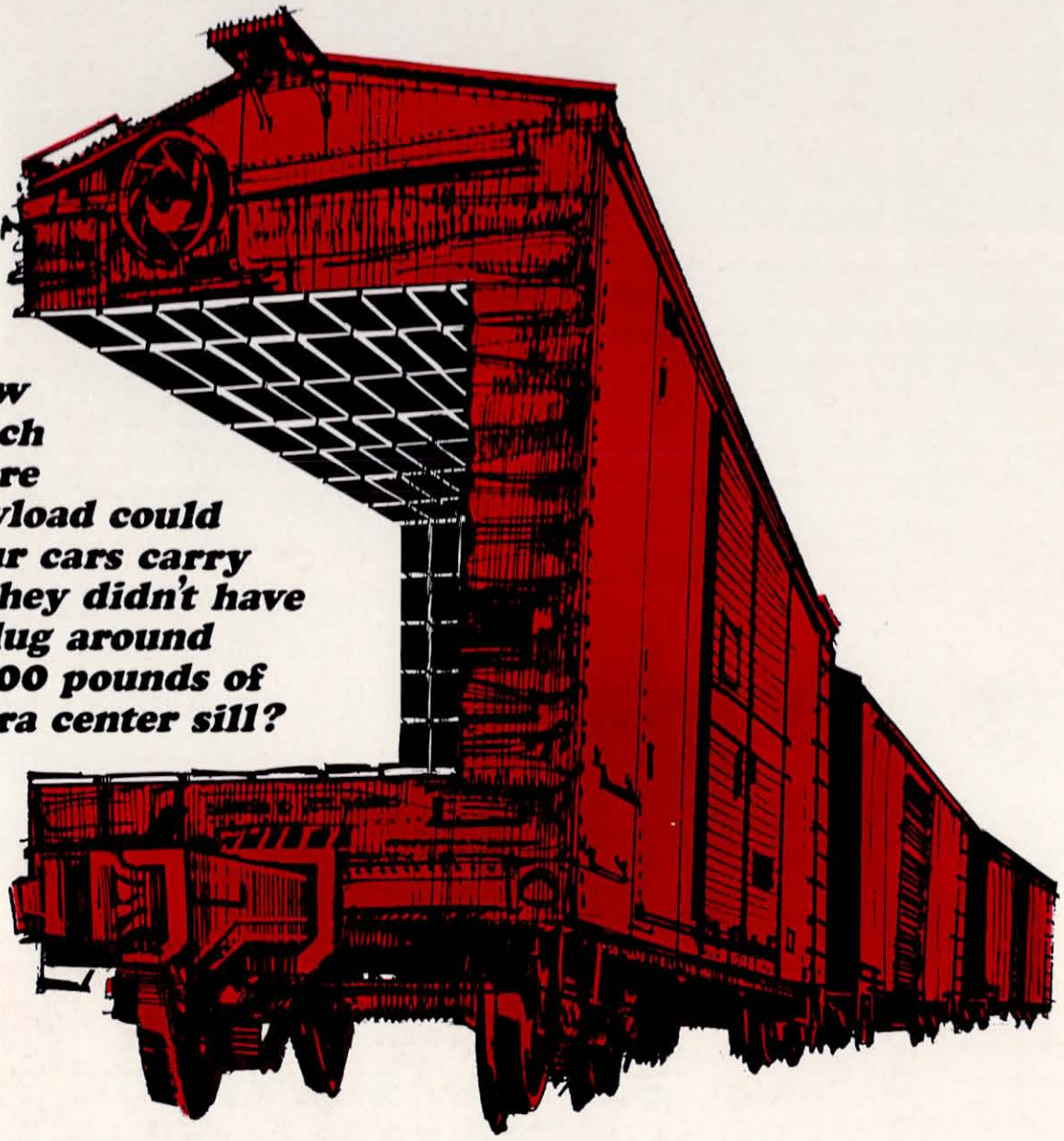

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